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Mr. Gorbachev addressing the General Assembly on Wednesday.

Gorbachev Pledges to Trim Forces By 500,000 Men and 10,000 Tanks

Afghan Truce Is Sought

INTERNATIONAL HERALD TRIBUNE UNITED NATIONS, New York — Mikhail S. Gorbachev proposed Wednesday a complete cease-fire in Afghanistan as of Jan. 1, 1989, backed by UN peacekeeping forces and the cessation of arms supplies to all belligerents.

A Busy Day in New York for the Man From Moscow

- Gorbachev offered a unilateral reduction in Soviet troops by 500,000, 10 percent of the estimated total, and said Moscow would withdraw six tank divisions from East Germany, Czechoslovakia and Hungary by 1991 and disband them. He called for a cease-fire in Afghanistan beginning Jan. 1, and the use of UN peace-keepers to guarantee a neutral government.

He Vows Shift to Industry

By Fred Farris INTERNATIONAL HERALD TRIBUNE UNITED NATIONS, New York — Mikhail S. Gorbachev, calling for a "period of peace," announced Wednesday that the Soviet Union would cut its armed forces unilaterally by 500,000 troops within the next two years and would undertake to switch some industry from armaments to peaceful production.

Reagan 'Heartily' Approves Overture

Compiled by Our Staff From Dispatches NEW YORK — Mikhail S. Gorbachev, Ronald Reagan and George Bush held a luncheon meeting on Governors Island in New York Harbor on Wednesday after the Soviet leader's call for a "period of peace" and announcement of a unilateral Soviet troop cutback.



Mr. Gorbachev, his interpreter looking on, with Mr. Reagan and Mr. Bush on Governors Island.

Arafat Says PLO Recognizes Israel

By Steve Lohr NEW YORK TIMES SERVICE STOCKHOLM — Yasser Arafat, in a joint statement with a group of American Jews, said Wednesday that the Palestine Liberation Organization accepted the existence of the state of Israel. Mr. Arafat, who led a PLO delegation that held a two-day meeting with five American Jews in Stockholm, issued the joint statement Tuesday, saying that his organization "accepted the existence of Israel as a state" and "declared its rejection of terrorism and its renunciation of violence."

Israel for being vague and ambiguous

Since 1975, the policy of the United States government has been that it will not "recognize or negotiate with" the PLO until the group accepts Israel's right to exist. Washington later added a second condition, a PLO renunciation of terrorism. The PLO statement came just a week before Mr. Arafat was scheduled to address a special session of the United Nations General Assembly in Geneva. The session was moved from New York because Secretary of State George P. Shultz refused to grant Mr. Arafat a visa to enter the United States on the grounds that, as chairman of the PLO, he was an accessory to terrorism.

Secretary of State George P. See REAGAN, Page 6

At the outset the three leaders sat before a fire in a library of the local coast guard commander's mansion. Mr. Reagan, at 77 the senior retiring partner of the group, sat between Mr. Gorbachev, 57, and Mr. Bush, 64. The Soviet leader said that the Soviet decision to trim its forces had been taken unilaterally. He said, "We can move forward only together and so we do hope that the United States and the Europeans will work with us and will also take certain steps." Mr. Reagan said that "we certainly would adjust" Western troop strength downward if Mr. Gorbachev's move "left us with a superiority."

Kiosk

Deadly Quake In Armenia

An earthquake took the lives of "many people" Wednesday as it devastated a mountainous section of Western Armenia, the Soviet government reported in Moscow. A witness put the death toll at "tens of thousands" and the quake caused "serious destruction" to the cities of Leninakan and Kirovakan, and the towns of Spitak, Stepanavan and Gurgark. Details, Page 7.



William H. Webster got an "open-ended" mandate from George Bush to stay on at the CIA. Page 3.

General News

Nagasaki's mayor criticized Hirohito on the anniversary of Pearl Harbor. Page 2. U.S. officials, however, emphasized that there had been no change of substance in the American position, and a senior European official said the gesture was not enough to satisfy the Europeans. The community has adamantly rejected any idea of the complete elimination of subsidies.

Conference officials said the two sides were still far apart and there remained a serious risk that the final bid to reach agreement would fail. Alan F. Holmer, U.S. deputy trade representative, said a failure to settle the farm dispute in Montreal would not be a disaster for the

U.S. and EC Try to End Deadlock Over Trade

By Reginald Dale INTERNATIONAL HERALD TRIBUNE MONTREAL — The United States and the European Community readied late Wednesday a final bid to break an acrimonious dispute over farm subsidies that threatened to block progress to world trade reform. In the first sign of movement in the long-running dispute, the United States offered to find new terminology to express its demand for a commitment by other countries to eliminate all trade-distorting farm subsidies over a fixed period of time. The United States also dropped demands that the 103-nation Montreal trade meeting set a final date for the subsidies' abolition, saying that could be agreed in later negotiations. U.S. officials, however, emphasized that there had been no change of substance in the American position, and a senior European official said the gesture was not enough to satisfy the Europeans. The community has adamantly rejected any idea of the complete elimination of subsidies. Conference officials said the two sides were still far apart and there remained a serious risk that the final bid to reach agreement would fail. Alan F. Holmer, U.S. deputy trade representative, said a failure to settle the farm dispute in Montreal would not be a disaster for the

Military Chief Resigns, Health Cited

Compiled by Our Staff From Dispatches NEW YORK — The Soviet Armed Forces chief of general staff, Sergei F. Akhromeyev, has retired for health reasons, the chief Foreign Ministry spokesman said here Wednesday. The comments by the spokesman, Gennadi I. Gerasimov, were made in a television interview after President Mikhail S. Gorbachev announced major plans to cut Soviet troop strength. Mr. Gerasimov insisted that Marshal Akhromeyev's departure had nothing to do with the troop cut announcement and said the chief of staff would remain as an adviser to Mr. Gorbachev. The spokesman told the CNN television network that Marshal Akhromeyev, 65, had retired strictly for health reasons. Mr. Gerasimov also said that Defense Minister Dimitri Yazov would stay on in his post. There had been rumors that General Yazov would also resign if Mr. Gorbachev announced a troop reduction plan, as had been anticipated. Asked by reporters whether the Soviet military establishment was resisting his troop reduction plan, Mr. Gorbachev smiled and exclaimed, "Nyet, nyet, nyet." Marshal Akhromeyev was appointed chief of staff in 1984 after the shooting down of a Korean airliner over Soviet territory in the Far East. He replaced Marshal Nikolai Ogarkov. Marshal Akhromeyev played a key role in developing the treaty to eliminate intermediate-range nuclear missiles.

NATO Welcomes Cuts, but Will Insist on Still More

In West, a Public Relations Gain In Moscow, an Audacious Risk? By Joseph Fitchett INTERNATIONAL HERALD TRIBUNE PARIS — The unilateral cuts in Soviet forces in Eastern Europe announced Wednesday by Mikhail S. Gorbachev would significantly blunt the Warsaw Pact's ability to mount a lightning offensive. But they fall far short of the reductions NATO governments are expected to request in the forthcoming East-West talks on troops in Europe. The departure of six Soviet tank divisions from East Germany, Czechoslovakia and Hungary — which cuts the best Soviet frontline forces by roughly a third — would strengthen West European belief that the Soviet Union was easing away from its offensive military posture. Overall, the changes amount to a powerful public signal to world opinion that Mr. Gorbachev apparently intends to push through his oft-proclaimed military retrenchment. In disclosing his plans for cuts, at a time the West is planning its position at the



Sergei F. Akhromeyev

At the same time, Mr. Gorbachev said, he wished to draw attention to "the problem of transition from the economy of armaments to an economy of disarmament." He said that Moscow was preparing in this connection to "draw up and make public our internal plan of conversion; in the course of 1989 to draw up as an experiment conversion plans for two or three defense plants; to make public our experience in providing employment for specialists from military industry and in using its equipment, buildings and structures in civilian production." And he challenged all countries, "in the first place major military powers," to submit their own conversion plans to the UN. In his hour-long speech, Mr. Gorbachev noted warmly "the changes for the better in the substance and the atmosphere of the relationship between Moscow and Washington."

See TROOPS, Page 6

Table with financial data: Dow Close, The Dollar in New York, DM 1.7608, Pound 1.8406, Yen 123.896, FF 6.0105

See MILITARY, Page 6

See ASSESS, Page 6

Going With Flows, Europe to Unite on Air Traffic Control

By Barry James
International Herald Tribune
PARIS — In a move to reduce delays that plagued air travelers last summer, European countries are likely to hand part of the responsibility for controlling traffic flows in their jealously guarded air spaces to centers to be established in Brussels and Moscow in the 1990s.

The centers, known as central executive units, will not be fully operational until 1994, but steps to create the new system will begin immediately, officials said. The plan was agreed on during a meeting in Paris of the European Air Navigation Planning Group, a 14-nation body of the International Civil Aviation Organization, which oversees from nine other countries and six international organizations. The projected system is intended to deal with the doubling of air traffic envisaged between now and 1995 and a surge of traffic after the creation of the European single market in 1992. Traffic in the European region grew by 10 percent in 1988, and planners expect a similar increase next year.

A report prepared for the meeting said that 12 existing independent "flow management" units in Europe can no longer cope adequately with traffic peaks, and that far greater centralization is necessary. The situation has become "unmanageable" because of a lack of traffic control capacity and be-

cause of the absence of coordination among traffic control centers, the report said.

Starting next spring, a spokesman said, the control centers in London, Paris, Frankfurt, Rome and Madrid will operate as a single unit linked by a permanent telephone hot line. This will evolve into the central executive unit for Western Europe, while a similar unit will be set up between Moscow and Prague to handle traffic in Eastern Europe.

The plan is for the two units eventually to be fully coordinated with inter-linked data bases, officials said.

The units are to coordinate traffic flows in their respective areas. The hope is that this will eliminate the kinds of delays caused last summer, when various countries' traffic control managers were unable to communicate directly among themselves, often because of the disparity of their computers.

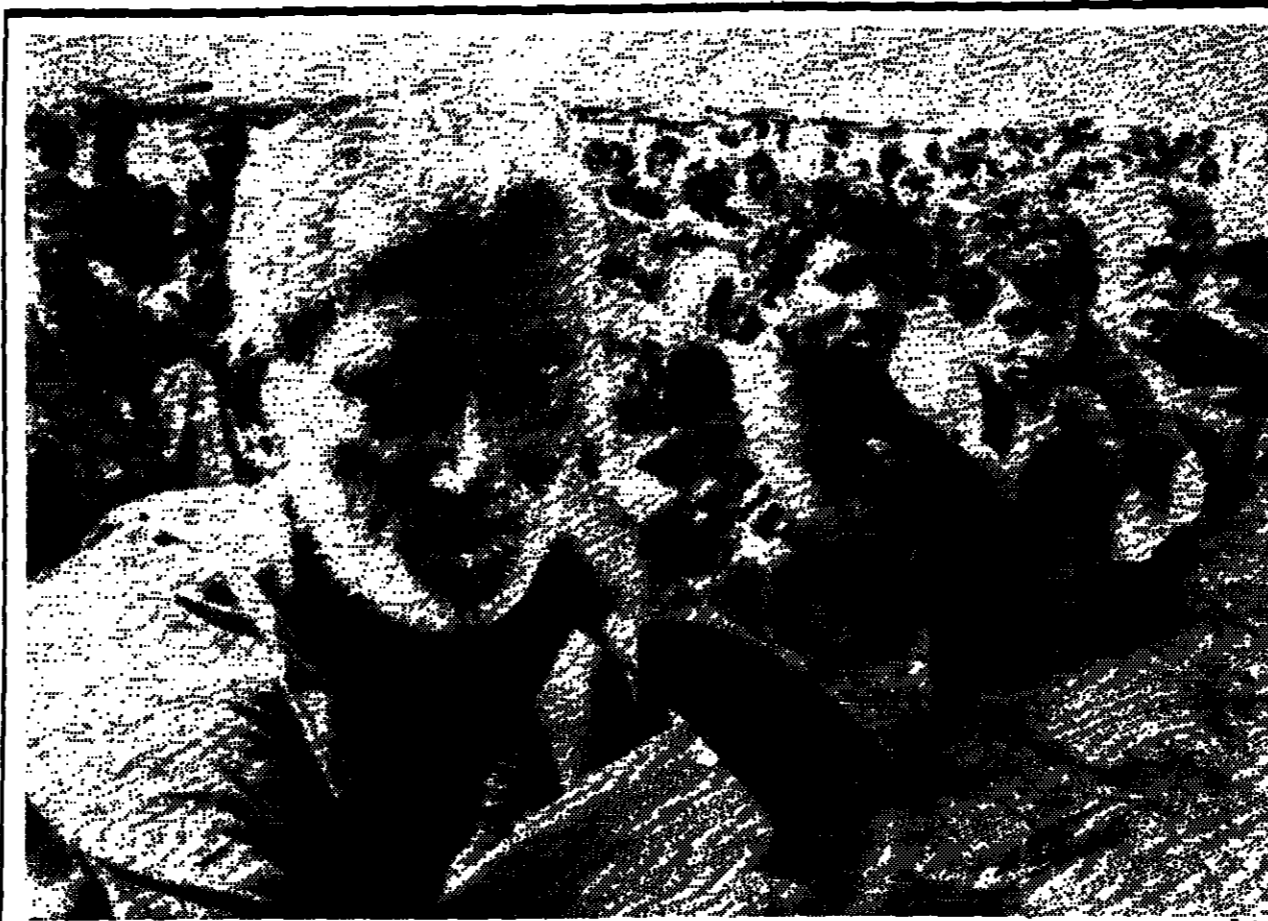
The main control centers in Western Europe set up a single flow management arrangement last summer, but it was hampered by the lack of a permanent hot line, which is scheduled to be operative before the start of next year's spring traffic buildup.

The decision to set up closer traffic coordination follows a meeting in October of transport ministers from the 22-nation European Civil Aviation Conference, who met in Frankfurt to deal collectively for the first time with congestion.

They called on Eurocontrol, the Brussels-based air traffic control body, to define the needs and costs of setting up a central unit. While Brussels is likely to evolve as the site of Western Europe's data bank, officials said there was no question of Western controllers' having any authority over Eastern-bloc air space or vice versa.

Nevertheless, they said, the East European countries have fully supported the work of the European Air Navigation Planning Group; they allowed flights from Scandinavia to the Mediterranean, for example, to use their air space during peak times in Western Europe. Even Albania has agreed to over-flights to relieve pressure on the heavily traveled routes in the Adriatic, the officials said.

In a similar agreement reached under the auspices of the International Civil Aviation Organization, the Soviet Union and China will allow international airlines to use faster, nonstop routes between Europe and the Far East, eliminating the need for dog-legs over the Gulf.



BANGLADESH SURVIVORS — After what some observers called Bangladesh's worst cyclone and tidal wave in 20 years, a group of survivors waited on an island in the Bay of Bengal for the arrival of relief supplies. At least 2,200 people died in the disaster.

Mayor of Nagasaki Criticizes Hirohito

United Press International
TOKYO — The mayor of Nagasaki, speaking on the 47th anniversary of the Japanese attack on Pearl Harbor, blamed Emperor Hirohito on Wednesday for failing to exert his influence to end the war and spare Nagasaki and Hiroshima from nuclear attack.

"I myself was forced to tell people to die in the name of the emperor," said Mayor Hiroshi Motomura, a former officer of the wartime Japanese Army who instructed young soldiers.

"From my own experiences with army education, I think the emperor bears some responsibility for the war."

Observers could not recall when a mayor of a major Japanese city had publicly held the emperor responsible for deaths in the war.

Hirohito, 87 and seriously ill, was regarded by the Japanese as a living god during the war, and the military regime, which held power, attacked Pearl Harbor on Dec. 7, 1941, in the emperor's name.

Hirohito, reduced to a symbol of state after the war, has never fully explained his role during the war years. Through a small segment of the Japanese people has protested this, the vast majority consider him blameless and revere him as the father of modern Japan.

Pressed on his comments by reporters, Mr. Motomura said that if Hirohito had exerted his influence on the Japanese military regime to end the war early, the U.S. atomic bombings on Hiroshima and Nagasaki in August 1945 would have been prevented.

More than 100,000 people were killed in the bombing of Hiroshima on Aug. 6, and about 70,000 were listed as dead in the Nagasaki attack three days later. The Japanese surrendered to Allied forces on Aug. 15, 1945. Hirohito has been bedridden since Sept. 19 at his residence in Tokyo's moated Imperial Palace, reportedly suffering with abdominal cancer.

Carlucci Outlines Reduced Role for U.S. in Gulf

By Patrick E. Tyler
Washington Post Service

CAIRO — The U.S. defense secretary, Frank C. Carlucci, said Wednesday that U.S. naval forces would further reduce escort duties this month in the Gulf, but that overall U.S. force levels would remain the same until there was some progress in the Iran-Iraq peace talks.

He made his comments as he ended a farewell tour of Gulf states with a visit to Kuwait.

Until there is some movement in the stalled talks, Mr. Carlucci said, the Reagan administration will not make any significant reduction, thus leaving the decision to the administration of President-elect George Bush.

"Our naval forces have shifted from escorting to accompanying and this month they will go to monitoring," Mr. Carlucci said. "It means they don't have to go with every ship. They can just keep track of the ships and be prepared to respond as necessary."

The decision reflects the absence of any hostile activity in the Gulf by Iran or Iraq since a United Nations-supervised cease-fire began Aug. 20.

Mr. Carlucci said that Kuwait officials had not decided whether to continue operating half of their oil tanker fleet under the American flag. But the Kuwaiti minister of information told The Associated Press on Tuesday that the northern Gulf sheikdom was considering abandoning the arrangement.

"The refueling was strictly a commercial deal," said the minister, Sheikh Jabir Mubarak Sabah.

"I see no reason why we should not return the Kuwaiti flag to the mass now that the reasons for refueling are no longer there."

He added, "Kuwait will seek to reduce the foreign military presence in the Gulf water."

WORLD BRIEFS

Estonians Reaffirm Decision to Seek Increased Sovereignty From Moscow

MOSCOW (NYT) — The Baltic republic of Estonia reaffirmed on Wednesday its recent decision that it had the right to veto Soviet law, underscoring its intention to seek increased sovereignty from Moscow despite Kremlin objections.

After a spirited and sometimes raucous debate, the republic's Supreme Soviet, or legislature, voted, 150 to 91, to stand by its vote last month amending the republic constitution to allow the rejection of Soviet laws that infringe on local autonomy.

When Estonia approved that amendment on Nov. 16, the Kremlin stated unequivocally that the decision was "unconstitutional," and pressure from Moscow prevented similar declarations of sovereignty by the other Baltic republics, Lithuania and Latvia.

Estonians said that the vote Wednesday was an affirmation of the republic's conviction that it, and all other republics, had the right to challenge and override Moscow when republic interests were at issue. "There was a lot of screaming and shouting before the vote," said a local journalist. "But in the end, a large majority decided that their original vote was right and they would stick to it."

O'Neill Turns Down Post in Ireland

WASHINGTON (AP) — Thomas P. O'Neill, the former speaker of the House of Representatives, turned down an offer to become the next ambassador to Ireland, an aide to President-elect George Bush said Wednesday. Mr. O'Neill, 76, who once expressed interest in the post, cited personal reasons for his decision.

The acting press secretary for the incoming administration, Sheila Tate, said that Mr. Bush was disappointed that Mr. O'Neill had declined the offer, made during a meeting Friday. The offer was first reported Wednesday in the Boston Globe.

Mr. O'Neill told the newspaper that he had met with Mr. Bush and his wife, Barbara, but did not discuss details of the offer. The post is currently held by Margaret M. Heckler, the former secretary of health and human services.

Britain Endorses Anti-Terrorism Act

LONDON (Combined Dispatches) — Special powers that British police have used for 14 years to fight terrorism in Northern Ireland have been made permanent by the House of Commons.

The Commons voted Tuesday, 305 to 45, in favor of a bill under which Parliament no longer would have to renew the 1974 Prevention of Terrorism Act every year. The act gives police the power to detain terrorists indefinitely without trial for up to a week and to bar suspects in Northern Ireland from entering mainland Britain.

In Dublin, meanwhile, Parliament adopted extradition safeguards as law by a sizeable majority. Prime Minister Margaret Thatcher has sharply criticized the safeguards, which allow extradition of suspected criminals to Britain only if the Irish attorney general is satisfied that sufficient evidence has been presented by British police. (AP, Reuters)

Mandela Is Moved to a Prison Farm

JOHANNESBURG (AP) — Nelson Mandela, the long imprisoned leader of the African National Congress, has been moved from a clinic to a private house on a prison farm outside Cape Town, his lawyer said Wednesday.

The lawyer, Ismail Ayob, said that Mr. Mandela, 70, had been transferred to the Victor Verster Prison in Tsaar, a suburb of Cape Town. No details about the conditions of his stay there were immediately available, but government officials said that he would have greater access to his family and to visitors.

Nicaragua Pilot Defects to Honduras

TEGUCIGALPA, Honduras (AP) — A Nicaraguan pilot defected Wednesday and flew a Soviet-made attack helicopter to a Honduran air base, diplomatic sources and Nicaragua's leftist Sandinista government said.

The diplomatic sources said the military pilot landed the Mi-25 helicopter gunship at the Toncontin Air Base in Tegucigalpa, the Honduran capital.

In Managua, the Defense Ministry confirmed that a defector hijacked a Soviet-made helicopter to Costa Mota Air Force Base, another name for the Toncontin facility. Its statement referred to the pilot, "ex-Captain Edwin Estrada Leiva, as a 'CIA terrorist.'"

Rome to Impose Traffic Restrictions

ROME (AP) — The city government of Rome voted Wednesday to impose restrictions on traffic within the ancient city walls during the Christmas holidays, according to the Italian news agency ANSA.

The plan, under which cars would be allowed to circulate only on alternate days depending on their license plate numbers, is expected to last from Dec. 14-23. There are 1.6 million cars registered in Rome, which has a population of 3 million. (Reuters)

Roy Orbison, Musician, Dies at 52 in Tennessee

After the death of his wife, Claudette Orbison, in 1966 in a motor-vehicle accident, Mr. Orbison's song-writing career took off. In 1968, a fire at his Nashville home killed two of their three children. Mr. Orbison remarried in 1969 and performed steadily through the 1970s, although his string of hits had ended. He had open heart surgery in 1979. Mr. Orbison had begun a comeback in the 1980s. As a member of the Traveling Wilburys, a group that includes Bob Dylan and George Harrison, he sang the group's recent single, "Handle With Care." A new Orbison album had been scheduled for February. (Reuters)

Rockabilly to Ballads

By Jon Pareles
New York Times Service
Mr. Orbison was one of rock's most gifted singers, with a clear tenor voice that soared into falsetto. In a string of hits that he wrote and sang from the late 1950s through the mid-1960s, he moved between two styles — uptempo rockabilly songs and dramatic ballads.

Characteristically dressed in black leather, with dark glasses and slicked hair, Mr. Orbison was an introverted, untheatrical performer, but his voice was riveting.

He was born and grew up in Texas. He began performing professionally in his teens with the Wink Westerners. After two years at North Texas State University, he dropped out and started a band called the Teen Kings.

In 1960, he found his signature style with "Only the Lonely," a Latin-tinged ballad that climbs more than an octave in its last verse. Through the early 1960s, the hits continued: "Running Scared," "Crying" and "I'm Hurtin'."

Other deaths:
Charles D. Saxton, 68, a cartoonist whose drawings satirized the lifestyles of the sophisticated in *The New Yorker* for three decades, of heart failure Tuesday in Stamford, Connecticut.
Thornton F. Bradshaw, 71, a general corporate statesman who espoused social responsibility as he reshaped Atlantic Richfield Co. and RCA Corp., Tuesday in New York of a cerebral hemorrhage.
August Howard, 78, founder of the American Polar Society and the editor of a newsletter for polar explorers and researchers, of heart disease Sunday in New York.
William E. Potter, 83, an engineer who was a governor of the Panama Canal Zone and a builder of Walt Disney World, of heart failure Monday in Orlando, Florida.

ATR-42 Recalled To Modify Wings

International Herald Tribune

PARIS — The French-Italian consortium that builds the ATR-42 commuter aircraft said Wednesday that it was recalling 70 of the planes in order to modify a wing segment that may become liable to metal fatigue.

A spokesman for Aerospaziale, which is a partner with Aeritalia SpA of Italy in building the turbo-prop aircraft, said that the fault was unlikely to emerge for many years, but that it planned to modify the aircraft in the course of the consortium's commitment to safety.

The spokesman said a small crack appeared in a central wing segment subjected in tests to the equivalent of 45,000 take-offs and landings, or an average flying life of 15 years. The oldest of the planes was delivered in 1985 and has done about 8,000 landings.

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Characteristically dressed in black leather, with dark glasses and slicked hair, Mr. Orbison was an introverted, untheatrical performer, but his voice was riveting.

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Herald Tribune

Published With The New York Times and The Washington Post

Warning From Argentina

Without civilian support, military revolts generally end the way Argentina's did this week, with the isolated rebels bowing to constitutional authority. Argentina has now withstood three such half-baked uprisings in less than two years.

This one was the work of Colonel Mohamed Ali Seineldin, an admirer of General Alfredo Stroessner and Juan Peron who first won renown as a commander in the Falkland war. A charismatic defender of the army's brutal 1970s "dirty war" against subversion, he was posted abroad, as a military attaché in Panama, supposedly out of reach of political temptation. It wasn't far enough. His commando mentality surfaced again during the coup when his forces mined the perimeter of their stronghold — a heavily populated Buenos Aires suburb.

Each new military insubordination has weakened President Raúl Alfonsín's authority. So have his retreats on human rights in the face of such military pressure. But he remains in power. Argentines have resisted the return of a military responsible for crippling debt, mass disappearances and defeat in the Falklands. They are unmoved by rebel demands for release of former junta leaders lawfully convicted of wholesale abuse of human rights.

This steadfastness, reassuring to North Americans, is also vulnerable. In nearby Peru and Brazil, erratic and bumbling civilian governments have caused deep disillusionment. Nobody is yet inviting the military back in either country, but that prospect is no longer inconceivable. South American

democracy needs Washington's urgent help. Debt is one factor undermining these democracies, but not the whole explanation. If it were, nearly every Latin regime would be in trouble. In Peru and Brazil, Presidents Alan García and José Sarney deserve blame for broader leadership failings. Conversely, Argentina's problems might be more acute but for President Alfonsín's strengths.

The United States has already made a positive difference. To its credit, the Reagan administration showed its preference for civilian governments, and translated that preference into bridge loans and support in the multilateral banks. This support might well be cut off after a successful coup, but that surely detests the civilian right from backing one. Even so, to help make South American democracy secure, Washington can do more to ease the debt service burden. As much as Latin economies must pay as much as 5 percent of GNP to foreign creditors, incomes will be pinched, investment will lag and development will run in reverse.

James Baker, in his new job as secretary of state, will need to consider the political as well as the financial consequences of Latin debt. The initiative he proposed as Treasury secretary three years ago has not much relieved the debtor countries' plight. Stronger measures are needed, soon.

The crowds of Argentines who turned out to defend a political system that has brought them no economic relief testify to Latin America's renewed democratic faith. Washington would be wise to value and support it.

—THE NEW YORK TIMES.

Watch Over the Monitors

If you are lucky, you live in a country where there is at least some tradition of respect for human rights, and the machinery of enforcement to see that those rights are observed. Where most people live, however, the tradition and machinery of the rule of law are at best a sometime thing, and human rights are respected only according to the government's convenience or convenience — unhappy variables. There, it commonly happens that one's rights may be honored only to the extent that private citizens take it upon themselves to follow the situation and to holler when things go wrong. People who take up this hollering mission have come to be called human rights monitors; a private American organization called Human Rights Watch is trying right now to draw attention to them.

They are special people. They have to be. Just this year, about 30 monitors around the world have been killed, and hundreds of others have been beaten, tortured, jailed, exiled or otherwise harassed or denied their own rights even while they were seeking to ensure those of their fellow citizens. In democratic countries, violations of someone's rights by a citizen or by the government are

customarily considered crimes, and the government prosecutes them as such. In a broad swath of Third World and Communist countries, such violations are often committed or condoned by the government, and there is no efficient way either to put it in the dock or to hold it to political account. There it falls to individuals to muster public opinion, from within the country or without, to call the government to a proper sense of duty. This is what the monitors do.

Their crucial role puts on their countrymen, and especially on foreigners, a heavy responsibility to care for them: to monitor the fate of the monitors. This can be done by listening attentively to their usually very knowledgeable reports of what goes on in their countries and by making sure that an offended government does not do them harm or otherwise try to spare itself their independent scrutiny. It may be very hard to nourish the rule of law in authoritarian and violence-soaked places, but the process can hardly begin if the people who are carrying the most sensitive and dangerous part of the burden — who sound the alarms and tell the facts — are not regarded as inviolate.

—THE WASHINGTON POST.

About Bush's Choices

President-elect George Bush continues to put together a team of moderate Republicans who can work in harmony with a Democratic Congress. His choices so far, including the appointments announced on Tuesday, suggest a healthy preference for non-ideological, practical people. He is proceeding sensibly, with an eye to bridging the division of political power between the White House and Congress that was reaffirmed by the November elections.

James Baker at State, Nicholas Brady at Treasury and the latest appointments — like Carla Hills as trade representative and Michael Boskin as chairman of the Council of Economic Advisers — are pragmatic conservatives. They should get along well with the pragmatic liberal Democrats — like George Mitchell, the Senate majority leader, and Representative William Gray, chairman of the House Democratic Caucus — who will play key roles on Capitol Hill.

Mr. Bush's economic team is essentially complete. Two key advisers will be Mr. Brady and Richard Darman, director-designate of the Office of Management and Budget. A third, Mr. Boskin, is a professor at Stanford University and a fiscal conservative much in the Republican mainstream.

Carla Hills served as secretary of housing and urban development in the Ford administration. She should complement the selection of Robert Mosbacher as secretary of

commerce. Both share President Reagan's sensible views on free trade.

The national security team includes two tough-minded pragmatists, Mr. Baker and Brent Scowcroft, the former air force general who helped Mr. Reagan fashion an important compromise with Democrats on arms control and new strategic arms. Mr. Bush has announced that he will add Thomas Pickering to this group, as chief delegate to the United Nations, a choice worthy of applause. He is a distinguished career Foreign Service officer, former ambassador to El Salvador and present ambassador to Israel.

Mr. Bush says he will keep William Webster as CIA director. The former judge has brought stability back to the agency after the turbulent years of William Casey. John Sununu, the designated White House chief of staff, is a question mark. As governor of New Hampshire, his voice has often been sturdily partisan. An even bigger question mark is secretary of defense. Former Senator John Tower is still said to be the front-runner, but his long history of unskilful support for military spending and opposition to Pentagon reform should give pause.

A restrained Mr. Sununu and a reform-minded Pentagon chief would reinforce the message Mr. Bush sends to Congress with his new appointments: that he would rather govern than confront.

—THE NEW YORK TIMES.

Other Comment

A Murderous Purge in Iran

Iran, on balance the loser in the Gulf War, has concentrated its venom narrowly on those who might be expected to attempt to make capital out of the reverse suffered by the Islamic Revolution. And until very recently it has been able to suppress news of its latest atrocities. Even now reports vary widely, but it is safe to assume that between 1,000 and 5,000 political prisoners have been executed by hanging or shooting since the autumn and that the rate of killing is rising rapidly. The shah imprisoned and tortured his enemies on an equally appalling scale, although he was less inclined toward mass executions. There is a tragic symmetry about the periodic atrocities from which the Iranian people seem condemned to suffer. Systematic state terror comes to characterize one regime after another, and the victims of

evil under one regime seem content to repay in kind when they take power.

—The Independent (London).

Nigeria Up Front, Yet Again

The position is undoubtedly important, but why is it that no other member country bids seriously for it? What is it about Nigeria that makes it so suited to lead OPEC, especially since it is certainly not the member with the biggest economic clout? In negotiation among contending members, with the neutrality that the office of president demands, can Nigeria's vital national interest be pursued vigorously enough? Nigeria should now make it clear that this is positively its last term as OPEC president, that if nominated again it will decline and that if elected it will refuse to serve.

—The Guardian (Lagos).

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Director of the publication: Walter N. Thayer.

Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 0511. Tel: 472-7768. Telex: R55628

Managing Dir. Asia: Malcolm Glen, 30 Gloucester Road, Hong Kong. Tel: 54610616. Telex: 61170

Managing Dir. U.K.: Robin MacKinnon, 63 Long Acre, London WC2E. Tel: 836-8802. Telex: 629291

Gen. Mgr. W. Germany: W. Lauerbach, Friedrichstr. 15, 1000 Frankfurt/M. Tel: (069) 726733. Telex: 616721

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OPINION

New Soviet Thinking? Watch the Ruble

By Jim Hoagland

PARIS — Absent for more than a decade, Western businessmen are journeying again to Moscow to talk joint ventures, lines of credit and the boosting of imports of Western consumer goods and food. Months returning to the flame for another scorching? Or frightened entrepreneurs who stand to make a buck while others hesitate? "It looks like the Alaska gold rush," says Arthur A. Hartman, a retired U.S. ambassador to the Soviet Union. There are lots of people showing up with all kinds of ideas about how to make money. There's a kind of entrepreneurial spirit that is not really helpful.

Adds Donald M. Kendall, chairman of the board of PepsiCo Inc. and a pioneer in East-West trade: "A lot of guys got burned in the early 1970s, when they opened offices in Moscow only to have détekte go sour. We really shouldn't get that kind of euphoria again." Like Mr. Hartman, he has dispelling stories to tell about the economic dislocation caused by Mikhail Gorbachev's perestroika campaign and the bureaucratic resistance it is encountering.

Yet Mr. Hartman and Mr. Kendall both say they are "cautiously optimistic" about improved U.S.-Soviet trade relations. They delivered this assessment at an informal East-West conference in Paris last weekend, one that offered some insights into why business opportunities in the Soviet Union could be different this time.

From one angle, the Soviet Union should be a tempting plum. Unable to find goods worth buying in the state's hideously mismanaged shops and department stores, Soviet consumers have salted away an estimated 240 billion rubles in official savings accounts. Soviet economists think their countrymen have stuffed an equal amount into mattresses or other hiding places. This pot of pent-up rubles looking for goods to buy would be worth about \$800 billion at the official exchange rate, or \$125 billion at the black market rate, a more reliable guide to the ruble's real worth.

That huge discrepancy in exchange rates suggests the essential economic reality of the Soviet Union today. Soviet currency has become nearly worthless. As Marx dreamed, communism has succeeded in robbing money of its ability to secure economic advantage for those who possess it.

A routine wait for a new car is eight or nine years. The most expensive pair of shoes money can buy on the Soviet market fall apart in a few months. Years of waiting to buy a color television set go up in smoke when the set explodes.

The drive for reform grows from the realization that this "success" of robbing money of its value stifles initiative, creativity and other traits needed to build and maintain a modern society.

That realization, now clearly enunciated by Mr. Gorbachev, may be the beginning of wisdom. Instead of trying to maintain the separate economy that Stalin and his successors created as the only way of guaranteeing Soviet independence, the officials in Moscow who support Mr. Gorbachev are trying to bring their country into the global economy dominated by the Western industrial democracies. They recognize that a key step in this process will be establishing a fully convertible ruble so that Western businessmen and exporters can repatriate profits.

To achieve a convertible ruble, the Soviets will first have to undertake a long and painful price reform that could cause social upheaval and big jolts of inflation as huge subsidies which the state provides for food and other basic goods are eliminated. Moscow has already unsuccessfully sought observer status in GATT as a way of getting educated about the world

economy and the adjustments needed to enter it. There is a realism about the needed changes that was lacking in the first détente period. One of the three drafts of the next five-year central plan currently being discussed in Moscow reportedly calls for zero growth of output as a target. The idea would be to spend the next five years emphasizing quality control, realistic pricing and system maintenance rather than meeting growth targets.

"We don't need to produce more steel. We already produce twice as much steel as the United States, three times as many shoes and as many machine tools," Soviet economist Nikolai Shmelov said at the East-West conference, sponsored by the Dutch-based Alerdink Foundation.

"But we lose 60 percent or more of what we produce," he added. "We lose more food than we produce" because of waste, lack of transportation and other infrastructure problems. "There is no need for a Marshall Plan, or Western fire brigades bringing credits for the Soviet Union."

Mr. Shmelov's remarks are significant for the West as well as for his own nation. In the end, the debates over whether to "help" the Soviet Union integrate into the world economy miss the point. When the Soviets make the right economic decisions, such as establishing convertibility of the ruble, they will become major players in the world economy, whatever outsiders think about it.

The Washington Post.



Photos courtesy of Tim.

To Middle East Negotiations Via the Ballot Box

By Flora Lewis

JERUSALEM — The Middle East did not have a very high priority on the agenda as Soviet and American leaders met this week to advance their relations. That is partly because it is such an intractable issue involving so many other nations, and partly because the improved international climate has reduced the risk that the Middle East will provoke a major war.

But the Bush administration will have to turn to the festering problem soon. Everybody in the area is waiting to see how it will define America's role. The sense is still strong that no progress toward settlement can be made without an American initiative, although there have been a great many developments in the last couple of years without U.S. involvement.

The most significant has been the intifada, the uprising of Palestinians in the occupied territories, which was a year old on Wednesday. It has died down now into a low-level but steady violence, "without formal organization and without logistics, 85 percent stones," as the Israeli defense minister, Yitzhak Rabin, put it. It can't defeat the Israelis and the Israelis can't stop it, short of massacre.

But it is changing attitudes. The Arab states and the PLO have had to react. Questions that Israel has deferred since the 1967 war have been sharpened. And the Palestinians in the territories have changed their habits of thought, with a new determination to decide their own fate instead of waiting for others.

Ibrahim Kareem, a Palestinian journalist whose magazines have been shut down, says that "there have been thousands of achievements." The main one he calls "clarifying the clear." Outsiders were coming to take the occupation for granted and to talk about improving conditions. Now occupation is the focus, he says.

The Arab-Israeli conflict, Mr. Kareem says, "has been condensed to its natural size, the Palestinian-Israeli conflict." He tells of a new self-confidence that enables thought of compromise and acceptance of "international legitimacy" — that is, UN resolutions. And in its way, the intifada has "defined borders — you can see immediately which side of the line you are on."

The Palestinians are hunkering down for the long haul. For the moment, the Israelis are too busy squabbling and haggling over a new government to think much about it. But the future in a disputed land remains the central and ever more divisive issue for them. They, too, have to go back to thinking about what has come mistily to be called "the peace process." They, too, ask, "What will the U.S. do?"

Talk is burgeoning again about elections in the occupied territories, because if there is going to be any shift from deadlocked violence to politics, it has to be through negotiation. And it takes at least two to palaver.

Two different kinds of elections are envisaged, for local authorities or for a representative committee of Palestinians to pave the way for a conference. Some Israelis, and some Western diplomats, prefer the idea of local elections, but for different reasons.

This is against the current position of the PLO, which insists that

all Palestinians anywhere in the world should have the right to vote, and that the PLO is the only legitimate representative for negotiations. But if the PLO should decide to endorse election in the territories as the way to start talks, its sympathizers would certainly win.

It would probably take direct American contacts with the PLO to make this first step possible. Without PLO approval, the elections would not produce valid negotiators. Their election would mean a kind of breakthrough, getting around Israeli determination not to deal directly with the PLO.

Everybody has reservations, but the idea has enough interest to be worth support. It is because Israel's leaders realize that they cannot just let things keep deteriorating that they are trying again for a major party coalition. The United States should be ready to push.

The New York Times.

And Then Abbas Said Something Else

NEW YORK — If any one factor led Secretary of State George Shultz to deny a visit to Yasser Arafat, we have learned from news reports that it was Mr. Shultz's outrage over remarks made by Abu Abbas at the recent session of the Palestine National Council in Algiers. Mr. Abbas, a member of the PLO executive committee, masterminded the 1985 hijacking of the cruise ship Achille Lauro, during which an elderly American tourist, Leon Klinghoffer, was murdered.

Pressed as to how Mr. Klinghoffer ended up dead in the Mediterranean, Mr. Abbas ginned and replied, "Maybe he was trying to swim for it."

As the reporter whose question elicited that infamous response, I share fully Mr. Shultz's shock and revulsion. Indeed, my immediate reaction to Mr. Abbas's wide smile and casual celebration of the murder was to recall Hannah Arendt's characterization of the clerk-like Adolf Eichmann on trial in Jerusalem as epitomizing "the banality of evil."

Interestingly, however, Mr. Abbas followed up his comment heard around the world with largely unreported remarks which, while in no way justifying the Klinghoffer murder, nevertheless reveal the Palestinians' sense of rage at what they see as an American double standard.

He asked rhetorically: "Has Israel expressed regret about the ... Palestinians who were shot at Sabra and Chatila? Did America express regret about the victims of Grenada? I wish the names of our victims and martyrs were

as well known as the name of Klinghoffer. Can you name 10 Palestinians who died from Israeli gas, or 10 pregnant Palestinian women who were crushed and killed?"

When Mr. Abbas posed his last question, I realized I did not know the names of any Palestinians killed in the conflict with Israel — unless one counts Khalil al-Wazir (Abu Jihad), the PLO military chief assassinated last spring by commandos widely believed to have been Israelis.

That Mr. Abbas's comments about the Palestinian victims should have gone largely unreported in the American press confirms his point: The death of one American is more newsworthy than the deaths of many Palestinians.

Mr. Abbas's unreported remarks were newsworthy because they reflected the burning resentment that is a factor preventing the PLO from fully meeting U.S. conditions for an opening of peace discussions.

While there is no question that the PLO must swallow 24 years of rejectionism and meet the conditions, the Americans and Israelis could ease the process greatly by acknowledging that the Palestinian people are worthy of respect.

By focusing so relentlessly on Abu Abbas's odious remark, we only strengthen those Palestinian groups which reject all compromise and are ready to fight to the death against Israel — even if it takes 100 years.

—Walter Ruby, New York correspondent of The Jerusalem Post and a group of American Jewish newspapers, writing in The New York Times.

Greek Lapses: Plutarch Would Not Be Surprised

By William Pfaff

ATHENS — Scandal on top of scandal has Greece in a political crisis which can only deepen between now and the parliamentary elections which must be held next June at the latest. The possibility of a military coup is proposed; it is also discounted. There is unmistakable public anxiety, and anger, at what politicians have done. There is a sense of betrayal by the political class.

One of the scandals involves a New York-raised financier with an American police record, now held in Massachusetts under extradition demand from Greece, who briefly was the most celebrated figure in Greek banking and communications.

George Koskotas, 34, arrived in Greece from the United States nine years ago to take a minor job in the Bank of Crete. Five years later he controlled that bank, and soon after he was buying major newspapers, football teams, launching a USA Today-type daily newspaper and a broadcasting company, all of this, as it now turns out, by the unaccounted method of spending his bank's depositors' money. He is accused, up to now, of misusing \$300 million.

As the Koskotas newspapers supported the Papandreu government, and he himself was afforded unusual opportunities to get away when the scandal broke, the assumption is made that leading Socialists are implicated in his affair. As time goes on, however, and revelation follows revelation, it seems that Mr. Koskotas was not generously partisan, and that others than Socialists are implicated, too.

Another scandal, of course, is that

of Andreas Papandreu's abandonment of his American wife and the aggressively public liaison with Dimitri Liani, 34, his companion during a two-month stay in London earlier this fall for hip and bypass surgery. She accompanied him to last week's European Community summit in Rhodes, where he presided. Feeding in Greece is that while it is impressive that a 69-year-old with grave heart problems is up to all of this, Mr. Papandreu is making not only himself but also the country look ridiculous.

Will he lose if he leads his party into new parliamentary elections? This is not sure. It is possible that his Panhellenic Socialist Union, PASOK, will do well enough to form a coalition government in cooperation with smaller parties of the left that are likely to benefit from defections from PASOK. It is the scenario of PASOK governing in coalition with one or both of Greece's Communist parties which causes serious people to suggest that a military coup is possible.

Serious people also say no. Public opinion would be against. The European Community admitted Greece in acknowledgment of a restored democracy. It would certainly expel or suspend a Greece under a new military dictatorship — and Europe is extremely important to Greeks today. The United States, which connived with the colonels after 1967, is against a coup.

Finally, the army isn't what it used to be. The "colonels' coup" of 1967 was just that, not an army coup. The army was conservative and monar-

chist. The makers of the coup were right-wing radicals. Moreover, their coup proved no success. It left Greece worse off than before. It is not evident that there are equivalent radicals in today's Greek army, or that the army as a whole would again go along with a move against an elected government.

But this situation is bad for the country and subversive of democracy. Mr. Papandreu has done something very important. He brought the alienated and persecuted left back into mainstream politics. The record of his government until now has made it reasonable to look to a future alternate between a big conservative party, New Democracy, and a big democratic socialist movement, PASOK.

It should not be forgotten that 40 years ago there was a bitter civil war in Greece. The Communists, who had been prominent in the wartime resistance, set up "liberated territories" in Macedonia, in the north, in the fall of 1946, and their war with the monarchist government went on for more than three years. It ended only after Tito broke with Stalin and closed the Greek-Yugoslav border, where much of the Communists' arms and matériel was passing. Greece's crisis provoked the Truman doctrine of U.S. military assistance to Europe in March 1947, before there was a NATO.

The left had real grievances then, as it did during the years of the colonels' rule. The triumph of contemporary Greek democracy is that those grievances now find expression and redress in the open political process. The last

seven years of PASOK government have confirmed that achievement. It would be tragedy to destroy it.

But, as Plutarch observed of ancient Greece, "with few exceptions she fought her battles against men to expel herself." She was "troughed to ruin and desolation almost wholly by the guilt and ambition of her great men."

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100, 75 AND 50 YEARS AGO

1888: France and Russia
LONDON — The St. Petersburg correspondent of the Daily News telegraphs: "It is commonly believed here that the Boulangerists are receiving considerable material support from a Russian source. It seems to be true also that an arrangement has been concluded between the Boulangerists and the Russian Chauvinists that Russophil manifestations shall be provoked on every possible occasion in France, and Francophil demonstrations in Russia."

1913: Nicaragua Treaty
WASHINGTON — Another advanced step has been taken by President Woodrow Wilson in extending the influence of the United States over Central America. He has told the members of the Senate Committee on Foreign Relations that as soon as normal conditions have been restored in Mexico he will expect them to take up the Nicaraguan treaty, with a view to

In Tokyo, A Partner For Bush

By Hobart Rowen

NEW YORK — When Ronald Reagan took office in 1981, Tokyo, despite economic success, still played second fiddle to Washington. Those days are over. America now cope with a much more influential, assertive and confident Japan.

Japanese willingness to help finance the U.S. budget deficit contributed in no small part to George Bush's victory over Michael Dukakis. Top Japanese officials, speaking privately, make plain that they are willing to take on more responsibilities in the global system, commensurate with their economic clout, provided that Japan is accorded the respect. For example, a greater Japanese share of the money for the World Bank and the IMF must be accompanied by an equivalent increase in voting power.

In an altered relationship with the United States, Japan does not see itself as a new "number one" but as "the senior American partner," working in tandem with the Bush administration. A leading Japanese economic official made these points:

• The United States and Japan would be "partners" developing a "common agenda." A free trade agreement would not be considered realistic at this time, but there would be other joint efforts, including negotiation of the Third World debt problem; and in non-economic areas as well, such as space exploration. "We will be cooperative and respectful of U.S. leadership, but we should begin to speak more clearly," he said.

• "It should not be taken for granted that we will follow the United States 100 percent in all things." Japan reserves American suggestions that it must undertake greater "defense sharing" if not directly in military expenditures then in foreign aid. Japan is ready to fork over more official development aid money, but not necessarily to support American geopolitical priorities.

• Japan is pressing Washington hard to get America's fiscal house in order. "Your government must be ready to moderate domestic economic growth," the official said.

Resistance to further yen appreciation has the strong backing of big Japanese businessmen. Akio Morita of Sony told me that reliance on dollar depreciation is helping to destroy American industry. "It's a pity to see how dependent America is on industry in Japan and other Asian countries for critical parts and components."

Yoshiaki Chino, chairman of the huge Japanese investment firm of Daiwa Securities, said that if the dollar continues to decline, "interest rates will begin to climb, and we'll have another Black Monday."

Thoughtful Americans worry that if Japanese officials feel that insufficient progress is being made by the Bush administration on the budget deficit, they will "pull the plug," curtailing the flow of financial investments. The Teikensha government representative made no such threat. Mr. Morita and Mr. Chino suggested that a positive withdrawal of investment was unthinkable because the two economies were now so heavily intertwined.

Still, the possibility of Japan playing hardball cannot be dismissed. In a recent presentation in Washington to the Institute for International Economics, Masao Muroki, a senior official in the Japanese government's Economic Planning Agency, raised the question in explicit terms: "Whether Japan as the largest creditor can and should use its position as leverage for imposing discipline on the debtor nation [the United States] is yet another difficult challenge."

It is clear that Japan is anxious to extend and increase its special relationship with the United States. Tokyo is grateful to James Baker, Mr. Bush's choice to be secretary of state, for helping Yasuhiro Nakasone ride out a political storm in 1986. Mr. Baker cashed some chips, persuading Japan to join other central banks in keeping the dollar relatively stable until the recent election was over.

Contrary to Japan's earlier fears, the high yen has proved beneficial, giving it the best of all worlds: an incentive to generate expansion at home, and the ability to pick up investment bargains abroad, especially in America. But Mr. Yoshitomi's "discipline" lurks in the background.

The consensus I hear is that Japan feels that it would still do well at 100 yen to the dollar. But if the exposition were that the dollar would plunge to 80 yen, informed sources say "watch out." If that new Japanese investment might dry up, validating Mr. Chino's warning of serious stock market troubles.

The Washington Post.

1938: Buck Wins Nobel
LONDON — Miss Pearl Buck, winner of this year's Nobel Prize for her novel depicting Chinese life, will regard the highest honor in modern literature merely as an encouragement, not as an achievement, she revealed here today (Dec. 7). She will receive an illuminated address and a medal from King Gustav of Sweden on Dec. 10. Miss Buck is the first American woman to receive the prize. Only Eugene O'Neill and Sinclair Lewis have preceded her as winners from the United States.

Gulliver Is

WASHINGTON — New squibs can be as illuminating as the old ones. In an interview with the Washington Post, Mr. Walters' response to the question "What do you think of the new administration?" was: "I think it's a good one. I think it's a good one. I think it's a good one."

There is no moderation of Soviet military spending within the supposedly "strapped" Soviet economy.

The war is going out of style. There hasn't been a successful war since we stopped the Communists from overrunning South Korea. The last sentence is murky but it's a success for North Vietnam, which won it. Mr. Walters' statement reflects American nationalistic preoccupations. Nothing is real except American preoccupations.

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OPINION

Gulliver Is Upright and Armed

By George F. Will

WASHINGTON — Non sequiturs can be as illuminating as epigrams, and Vernon Walters, U.S. ambassador to the United Nations, offers a dandy in an interview in Life magazine. With Mikhail Gorbachev in our midst, Mr. Walters' statement bears scrutiny because it is symptomatic of something worrisome: an epidemic of complacency. Life asked Mr. Walters: "Because nations have become so economically interdependent, aren't there powerful disincentives against war?" The answer began:

There is no moderation of Soviet military spending within the supposedly 'strapped' Soviet economy.

"Yes, war is going out of style. There hasn't been a successful war since we stopped the Communists from overrunning South Korea." The last sentence is murky but certainly false. The Vietnam War was a success for North Vietnam, which won it. Mr. Walters' statement reflects American national solipsism: Nothing is real except American preoccupations.

Whatever Became of the Cold War?

MARGARET Thatcher has said that the Cold War is over. In fact, it has been a long time since much anti-Soviet rhetoric came from Washington, or much anti-American language from Moscow.

Last Sunday, at least two Soviet spokesmen who appeared on American television were asked if the Cold War was over, and they both endorsed the obituary: one even indicated that if it wasn't over, his government would "kill it." The war may or may not be over, but for the time being at least its generals seem to have gone home.

What are we talking about here? For years the Cold War was sold as a war of ideas: freedom vs. totalitarianism. Is that the ground on which the matter has been settled? It was a war with prisoners: The United States once automatically held in high esteem all dissidents, religious and intellectual, caught behind the Iron Curtain — or, more recently, within the Evil Empire. Does such language retain any meaning?

No one used this language during the recent presidential campaign, and such campaigns are a lexicon of what political language is alive and what is not. Cold War language has lately lost its emotional content.

At its height, it was almost entirely a vocabulary of fear. That vocabulary carried within it serious Western ideas about freedom, but its political expression was emotional, expressed in terms of missile gaps and the fear of Soviet expansion and subversion. It was a rhetorical response to a threat.

Have the Soviets left the geopolitical stage? Is there no longer a Wall? An Iron Curtain? Captive nations? Are the Soviets intrinsically different today than they were when President Reagan delivered his Evil Empire remarks? If political language is any clue, it hardly matters to Americans. Under Mikhail Gorbachev, Western attention to the Soviet future is far more likely to be couched in economic than in military terms. And in economic terms, the Soviets are no threat.

In fact, if you wanted to chart the growth of a new language of hostility, or of fear, economics is a rich place to turn. "Competitiveness," a hot Washington word in recent years, and a popular one in the campaign, implied a lack of confidence in the U.S. future. Similarly, the "foreign investment" debate, especially about Japanese investment in American industry and real estate, reflects many of the same concerns.

By the way, if Americans don't hear the hostility in their usage, others do. A recent poll in Japan asked people who, in the event of another war, they expected Japan to fight. The answer, overwhelmingly, was America.

— Charles Paul Freund, commenting in The Washington Post.

it, as the Lilliputians did to Gulliver. In the late 1980s, the Soviet magazine New Times is calling glasnost and perestroika "marvelous keys to American hearts." This week they have been keys to the coffers of American capitalism.

Today's theory, uncontaminated by an association with evidence, is that Mr. Gorbachev wants to move the Soviet economy away from militarism. But before he can build Trump Tower on the banks of the Moscow River (2 billion, river view, 10 million rubles), he needs Western help (money), lest the "conservatives" (they are the problem everywhere) overthrow him. And yet, 45 months into the Gorbachev era there is this perfect continuity with the Brezhnev era: There is no moderation of military spending within the supposedly "strapped" Soviet economy.

Angelo Codevilla of the Hoover Institution, writing in Commentary, argues convincingly that the Soviet Union, judged not by rhetoric of intentions but by its military power relative to that of the United States, "is as much of a threat as ever, maybe more." America, he says, is guilty of solipsism, in this sense: Many American arguments about what is happening in the Soviet Union are actually not about events there. The arguments are attempts to vindicate various American policy preferences.

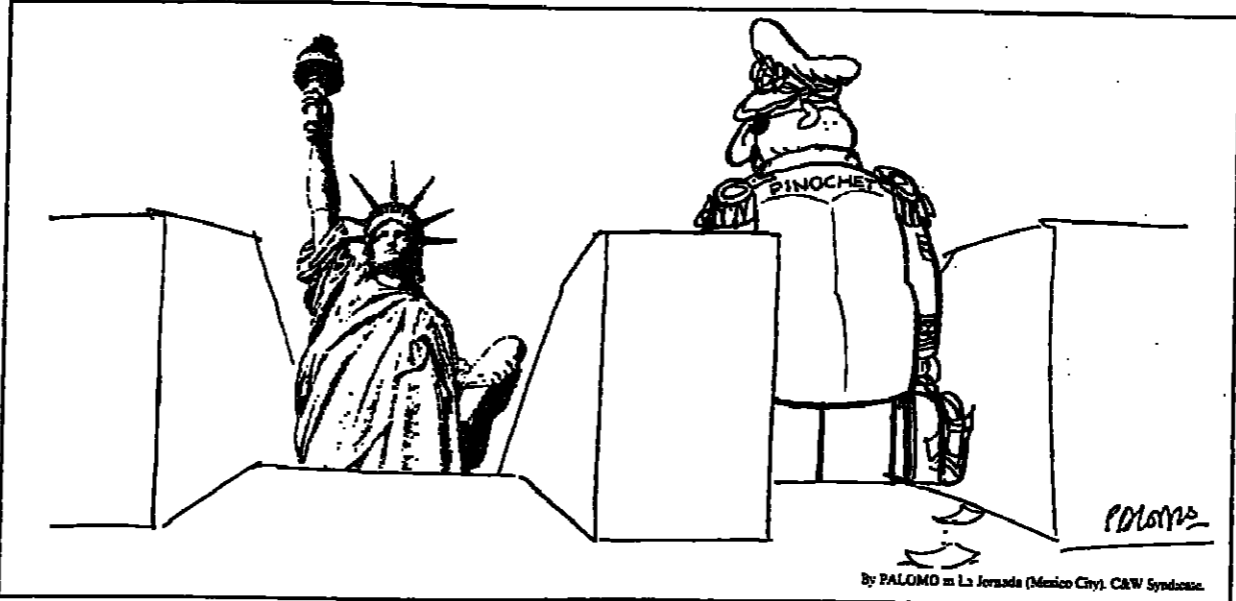
After eight years of near total administration confusion about ICBM vulnerability (the words of Brent Scowcroft, soon to be George Bush's national security adviser), the situation is as Mr. Codevilla describes it. In the last decade, the Soviets have moved from approximately two ICBM warheads for each U.S. target (missile silos, bomber bases, submarine ports, command and control centers) to approximately three warheads per target. A decade ago, the Carter administration thought America needed 200 mobile MX missiles (2,000 warheads) to survive a first strike and threaten Soviet ICBMs held in reserve in fixed silos. Now the United States is down to 50 MXs, vulnerable in fixed locations, while the new Soviet ICBMs are mobile.

Suppose the argument that was made a thousand years ago, even before the invention of guns, is true. Suppose war is so expensive that it is going out of style. Deterrence, too, is expensive. And the alternative to deterrence need not be war. It can be politically decisive military superiority for one side.

After nearly four years of Mikhail Gorbachev, the evidence is that the Soviet Union still seeks that advantage, expects the United States to subsidize its efforts, and will not be disappointed.

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By PALOMD in La Jolla (Mexico City). C&W Syndicate.

LETTERS TO THE EDITOR

Who's Who in the Jewish State

I appreciated the tone of M. Queyenne's response (Letters, Nov. 30) to my opinion article "What Kind of a State for Palestinians?" (Nov. 16), but it is not I who deal in half-truths. Israel is not a secular state: It was established as a Jewish state, and it has defined a Jew on religious grounds as the child of a Jewish mother, or a convert to Judaism. The recurrent acrimonious debate on "who is a Jew" shows that this issue is far from resolved.

It is correct, as the letter writer says, that Israeli citizens are identified as Jewish nationals or Arab nationals on their identification cards. Thus, in one sense, there is no such thing as an Israeli national. In 1972 the Supreme Court ruled against a petition by George Tamarin, a human rights activist, that his nationality identification be changed from Jewish to Israeli. Since, according to its fundamental laws, Israel is the "sovereign state of the Jewish people," it is hard to escape the conclusion that only Jews have full national rights in Israel.

The International Center for Peace in the Middle East, an Israeli Jewish peace group, recently conducted a study funded by the Ford Foundation, which came up with "start-

Cooling the Greenhouse

Regarding the report "Now, a 'Melt-down Proof' Reactor" (Science, Nov. 17): William J. Broad overlooks two points in his otherwise fascinating piece. Even if it were possible to rapidly replace all fossil-fueled power plants with new super safe reactors, this would have only a limited mitigating effect on global warming because no more than 20 percent of greenhouse gases

Afraid of a Magazine?

In response to "Britain Blocks Delivery of Harper's Magazine" (Nov. 24): Why does the British government have such an obsession with secrecy, unless from fear that politicians will be exposed as the rascals they are? Threats to a publication like Harper's are beneath contempt. If the magazine violates the law, then take it to court.

DAVID LOWRY, Director, European Proliferation Information Center, London.

Cooling the Greenhouse

Regarding the report "Now, a 'Melt-down Proof' Reactor" (Science, Nov. 17): William J. Broad overlooks two points in his otherwise fascinating piece. Even if it were possible to rapidly replace all fossil-fueled power plants with new super safe reactors, this would have only a limited mitigating effect on global warming because no more than 20 percent of greenhouse gases

ERNEST BEDSOLE, Palma de Mallorca, Spain.

Waiting Room For a Beauty

By Phil Latham

LUFKIN, Texas — The woman who walked through the waiting room was fat. Grossly fat. Enormously fat.

She swept up the attention of all those in the office, although she didn't appear to notice. Perhaps she had learned to ignore such stares. She walked with a distinct lightness in her step, head up, eyes confident.

The two people sitting across the aisle from me showed particular interest. They

MEANWHILE

smiled as she walked in the door, followed her with their eyes as she crossed the room and giggled as she turned around and left. Even after she was out of the building they looked at her through the window as if she were an exhibit in a menagerie.

They were Beautiful People, dressed in tennis togs from The Club and ready to dine at nine. They were not fat.

They whispered as they talked about the girl, as if her fatness were a secret to be kept from her. So far as I could tell, their laughter was heard only by me.

And it probably bothered me more than it would have the girl. She has probably heard the laughter of Beautiful People all of her life. Maybe she tosses it off with a shake of her head. Maybe it is more like a shudder.

I couldn't help wondering when she relaxes. Beautiful People inhabit grocery stores and restaurants as well as doctors' waiting rooms. The opening of each door must begin to sound like a screech of laughter.

The girl is serving a life sentence in that fat body and probably can do little about it. Still, everything must pass. I would like to believe that some day in another waiting room the Beautiful People and the girl will meet again, stripped to the soul.

It may not do any good, but she should know that at least in one moment of one day in her life someone saw through to the beauty within and knows it is there.

Beauty is not skin-deep but soul-deep, and sometimes never surfaces. Ugliness is something you just can't hide.

The writer is managing editor of the Lufkin (Texas) Daily News. This column was distributed by Cox News Service.



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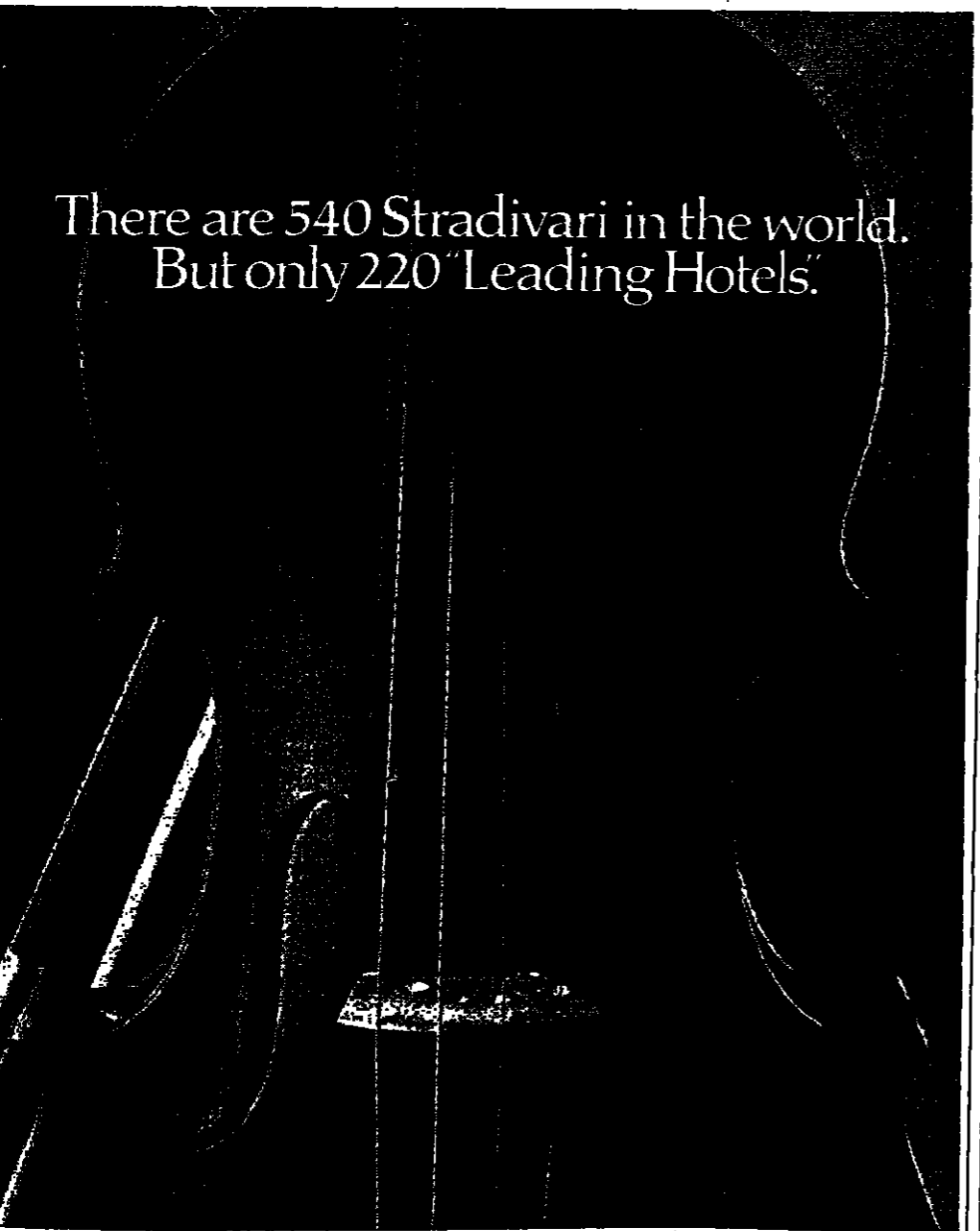
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ASIAN TOPICS

In China, a Legend Is Allowed to Fade

The legend of little Lei Feng, held up for some 25 years before China's masses as a shining example of revolutionary self-sacrifice, is being allowed to fade, Reuters reports.

According to his official biography, seldom mentioned today, the orphaned peasant boy from Hunan Province was risking his life at the age of 9 to put up posters opposing the Nationalists.

He quickly became a model army driver and champion hand-grenade thrower, acting as a "rust-proof screw in the revolutionary machine."

Lei is said to have died in a truck accident in 1962, aged 22. After his death, his exploits were glorified.

Such heroes now appear to be out of favor. "There is no need to keep mentioning Lei Feng," said a recent letter to the China Daily.

Hong Kong Tourism Setting New Records

Hong Kong will play host to even more tourists this year than last and officials say it will be a record, Cohen Greenough reports.



TIME OUT IN TOKYO — Japanese businessmen relaxing in noise-proof, stereo-equipped capsules at their club. Members pay a fee of about \$80 per month to get away from it all.

have reached 5.5 million by the end of the year.

A spokeswoman said the strength of other Asian currencies against the Hong Kong dollar, in addition to the relaxation of travel restrictions for Taiwanese, accounted for the increase.

Around Asia

Japan's booming economy has run headlong into the baby bust, according to U.S. News & World Report magazine.

North Korea, one of the world's most isolated countries, says none of its citizens have been found to be suffering from AIDS.

ARAFAT: Text of Statement on PLO Aims

PLO Statement

(Continued from page 1)

PLO has stated what the U.S. has demanded since 1975.

In the private sessions, according to the members of the American Jewish community, Mr. Arafat reportedly stated that the Algiers document "abrogated and nullified" the PLO charter.

The U.S. delegation also included Drora Kass, an executive director of the Center for Peace in the Middle East, and Menachem Rosenshaft, a Nazi concentration camp, and is the founding chairman of the International Network of Children of Jewish Holocaust Survivors.

The two others in the delegation were Stanley Shusterman, an economist and publisher, and Abraham L. Udovitch, professor of Middle Eastern history at Princeton University.

Rejection by Israel

Joel Brinkley of The New York Times reported from Jerusalem:

Israeli leaders were dismissive of Mr. Arafat's statement in Stockholm on Tuesday. Foreign Minister Shimon Peres called Mr. Arafat's remarks a "cunning exercise in public relations."

"What is really needed," Mr. Peres said, "is an end to violence that is not a postulation in theory but a commitment in reality."

Prime Minister Yitzhak Shamir said Mr. Arafat's "declaration doesn't add anything because the philosophy of the PLO hasn't changed — that is the destruction of Israel."

Mr. Peres said Mr. Arafat invalidated his recognition of Israel by framing his statement with the resolutions taken by the Palestine National Council.

Mr. Arafat's statement clearly does not accept Israel's right to exist.

STOCKHOLM — Following is the text of the joint statement in Stockholm on Wednesday by a Palestinian delegation led by Yasser Arafat, and a group of five U.S. Jewish representatives: The Palestinian National Council met in Algiers from Nov. 12 to 15, 1988, and announced the Declaration of Independence, which proclaimed the State of Palestine, and issued a Political Statement. The following explanation was given by the representatives of the PLO of certain important points in the Political Statement adopted by the PNC in Algiers. Affirming the principle incorporated in those UN resolutions, which call for a two-state solution of Israel and Palestine, the PNC: 1. Agreed to enter into peace negotiations at an international conference under the auspices of the UN with the participation of the permanent members of the Security Council and the PLO as the sole legitimate representative of the Palestinian people, on an equal footing with the other parties to the conflict;

such an international conference is to be held on the basis of UN resolutions 242 and 338 and the right of the Palestinian people to self-determination, without external interference, as provided in the UN Charter, including the right to an independent state, which conference should resolve the Palestinian problem in all its aspects.

2. Established the independent state of Palestine and accepted the existence of Israel as a state in the region.

3. Declared its rejection and condemnation of terrorism in all its forms, including state terrorism.

4. Called for a solution to the Palestinian refugee problem in accordance with international law and practices and relevant UN resolutions (including right of return or compensation).

The American personalities strongly supported and applauded the Palestinian Declaration of Independence and the Political Statement adopted in Algiers and felt there was no further impediment to a direct dialogue between the United States government and the PLO.

THE BEST OF TASTE: MIX A BEEFEATER MARTINI. Take Beefeater Gin and dry Vermouth in a proportion anywhere from 2:1 to 1:1 to 5:1. Pour into an ice cold mixing glass with ice, stir and then strain. Add a twist of lemon. Cheers! For a recipe leaflet which further demonstrates the excellence and versatility of Beefeater Gin why not write to: James Burroughs, Beefeater House, Montford Place, Kennington Lane, London SE11 5DF, England. THE GIN OF ENGLAND

Officials Report 'Many People' Dead As Quake Strikes Western Armenia

By Felicity Barringer, New York Times Service

MOSCOW — A major earthquake took the lives of "many people" Wednesday, devastating a mountainous section of Western Armenia, Soviet government reports said.

The earthquake caused "serious destruction" to the cities of Leninakan and Kirovakan, and the towns of Spitak, Stepanavan and Gurgark, according to television reports.

The official news agency Tass said it was the worst quake in the Caucasus region in 80 years.

[A man who witnessed the earthquake devastation in Leninakan told Agence France-Press that the earthquake had left "tens of thousands" dead, the agency reported from Moscow.

The eyewitness, an Armenian nationalist named Ambartsoum Galstian, said by telephone from the Armenian capital of Yerevan that all buildings in Leninakan

higher than five floors had been "reduced to rubble." He said he had seen hospitals, schools and the building of the city's philology faculty flattened, buildings that had been filled with people when the earthquake struck.

A Soviet television announcer read a statement from President Mikhail S. Gorbachev, who is visiting New York, saying, "I've been told that an unprecedented earthquake took place, which resulted in tragic consequences and the death of many people. This has deeply affected all of us."

The earthquake, centered near the Soviet-Turkish border, killed at least four persons and caused extensive damage in Eastern Turkey.

The U.S. Geological Survey in Golden, Colorado, said the earthquake was centered south of the Georgian capital of Tbilisi and registered 6.9 on the Richter scale. A quake of that magnitude is capable of causing widespread, heavy damage.

The tremor, followed by a moderate aftershock, struck a region in the Soviet Union already wracked by months of ethnic violence between Armenians and Azerbaijanis.

The Soviet television program showed film of high-rise apartment buildings sheared in two and twisted balconies perched atop piles of rubble in the cities of Spitak and Kirovakan. It reported that "industrial enterprises, stores, trade and service outlets, schools and kindergartens were destroyed."

Two governmental commissions were immediately established — one by the Soviet government, one by the Politburo of the Communist Party — to provide assistance to the area. Such Politburo commissions are usually established only for calamities.

Italy Upset by Release Of Suspect in Greece

By Clyde Haberman, New York Times Service

ROME — The Italian government expressed unhappiness on Wednesday over Greece's announcement that it had broken an extradition agreement with Italy and instead had deported a Palestinian who was wanted here in connection with a lethal grenade attack on a Rome synagogue six years ago.

But the Italian reaction lacked any statement of outright anger, suggesting a reluctance to create a direct confrontation.

The Foreign Ministry summoned the Greek ambassador, Nicolaos Athanassiou, and asked for "extensive clarification" of the decision in Athens on Tuesday to allow the suspected terrorist, Abdel Osama Zomar, to leave for "a country of his choice." According to a Greek police official, Mr. Zomar, who is believed to belong to

the Abu Nidal group, left for Libya aboard a plane of Olympic Airways, Greece's national carrier.

In a separate and somewhat more strongly worded statement, the Justice Ministry said that the news of the Palestinian's release "was received with a certain surprise." It said that the justice minister, Giugliano Vassalli, was waiting to hear Greece's explanation "with anxiety" and that he "would not hide his indignation" over the Athens government's decision, given previous commitments to extradite the Palestinian.

Mr. Zomar was wanted because of his alleged role in a 1982 attack that killed a 2-year-old boy and wounded 34 people as they left holiday services at Rome's main synagogue. The Palestinian, 27, was arrested several weeks later at the Greek-Yugoslav border and held on charges of illegal possession of arms and explosives.

Police Raid Chemical Firm in Osaka Over Sale of Banned Gas to Soviets

By David E. Sanger, New York Times Service

TOKYO — Japanese police searched the offices of a chemical company and the homes of its top executives Wednesday after asserting that the company sold a gas to the Soviet Union that could be used in the guidance systems of missiles.

The raid took place at the Osaka offices of Daikin Industries, one of Japan's largest manufacturers of commercial air conditioning systems and a major supplier of fluorine chemicals.

In searching the offices and homes of executives, the police seized documents. No official charges were placed.

The action came hours after officials of Japan's Ministry of International Trade and Industry revealed that Daikin had shipped to the Soviets 859 tons of an exceedingly pure form of halon gas.

In impure forms, the gas is widely used as a fire extinguisher. But COCOM, the coordinating committee of Western allies that limits shipments of strategic goods to

Eastern Europe, prohibits sales of pure forms of the gas because it can act as a coolant and stabilizing element in missiles.

Japanese officials and Daikin executives said they did not know how the Soviets used the gas. Company officials insisted that the shipments had been an accident.

"We know that the shipments occurred, but we don't know whether the Soviets used them for military purposes," an investigator for the Japanese government said. "It could have been an accident, but maybe not."

The Japanese government is particularly sensitive about such diversions since the Toshiba scandal last year, in which it was revealed that Toshiba Machine Company sent giant machine tools to a Soviet shipyard, where many believe they are used to manufacture high-technology submarine propellers.

That incident led to sharp criticism of Japan's enforcement of COCOM, the Coordinating Committee for Multilateral Export Controls and to heavy sanctions against

both Toshiba Machine and its parent company, Toshiba Corp.

The latest incident could mark Japan's third major violation in two years of the prohibitions on such exports.

The English-language Daily Yomiuri newspaper said Wednesday that the trade ministry acted quickly in the new case so that the investigation would not coincide with a visit to Japan by the Soviet foreign minister, Eduard A. Shevardnadze, that is scheduled to begin Dec. 19.

Company officials admitted Wednesday that they had shipped the gas to the Soviets, but said that it had been a mistake.

"It was not an intentional violation of COCOM," said Noriyuki Inoue, a managing director of the firm, "but the result of a deficiency in the inspection system used by our company."

The president of Daikin, Minoru Yamada, said at a news conference that four executives of the firm, including a vice president in charge of chemical operations, had resigned.

CONSTRUCTION BEGINS ON THE PARIS LIBERTY FLAME MONUMENT



All the necessary approvals from the Paris city authorities having now been obtained, construction of the Paris Liberty Flame Monument has started and will continue through the winter. The inauguration will take place in the spring of 1989.

The Flame will stand on the southwest corner of the Place de l'Alma, at the very beginning of the Avenue de New York (see map) — an excellent central location which means that this monu-

ment to Franco-American friendship will be seen every day by thousands of Parisians and visitors to the city.

The Paris Liberty Flame is the exact duplicate of the golden flame atop the outstretched arm of the Statue of Liberty in New York harbor. It was crafted in the United States by Les Metalliers Champenois, the same group of French artists who worked on the rehabilitation of the New York statue in 1986 using the same molds they created for that project.

The monument perpetuates a tradition started over one hundred years ago, when over 100,000 French citizens contributed to the financing of the original Statue of Liberty. A few years later, a group of Americans then living in France gave as a gift to the French people the reduced-size replica of that Statue which today stands on the Ile aux Cygnes, just a mile downstream from the new Liberty Flame site.

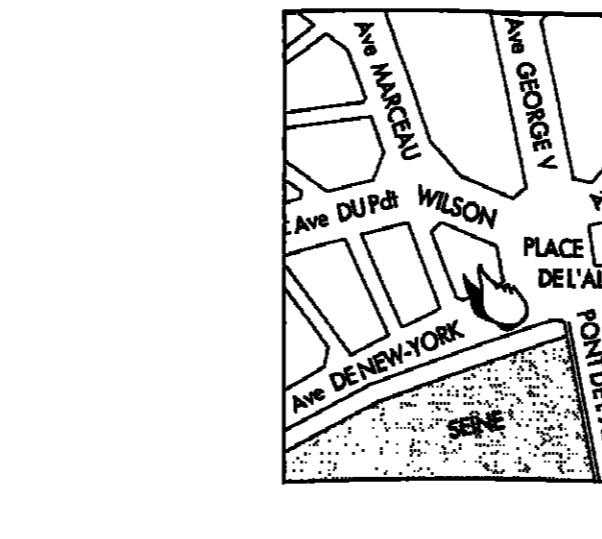
Two years ago the International Herald Tribune decided to mark the conjunction of its centennial with that of the Statue of Liberty by sponsoring an international fund-raising appeal to bring the Liberty Flame to Paris. The appeal was

launched at a reception given by U.S. Ambassador to France, Joe M. Rodgers, on October 4th, 1986 and was concluded a year later with a glittering benefit evening at the Palace of Versailles.

The fund-raising goal was reached, thanks to contributions from hundreds of individual donors, large and small. The International Herald Tribune wishes to express its heartfelt thanks to all these generous contributors.

Ever mindful of its own deep Paris roots and of the warm relations it has enjoyed for over a century with the people of France (including many of its own employees, readers and advertisers), the International Herald Tribune is proud to have taken the lead role in this undertaking.

In an age which is too often characterized by rapid swings in popular emotion on both sides of the Atlantic, the Liberty Flame project has helped, we believe, to reaffirm two truths which have stood the test of time: the fundamental value of Liberty in our way of life and government, and the enduring strength of Franco-American friendship.



SCIENCE

How Can You Tell Cat From Chair? Ask a Pigeon

By Malcolm W. Browne
New York Times Service



Pigeons were rewarded with pinch of grain when they distinguished between objects in photographs.

IOWA CITY, Iowa — The humble pigeon, scarcely noticed as it pecks a livelihood from its sidewalk environment, may have more in common with human thinkers than is generally realized.

In behavioral psychology experiments at the University of Iowa, Dr. Edward A. Wasserman and his colleagues have turned up what he called surprising evidence that "the conceptual abilities of pigeons are more advanced than hitherto suspected."

The pigeon mind, moreover, probably offers important clues as to how the human mind evolved and functions, Dr. Wasserman said in an interview. "Darwin raised the possibility of a continuity in mental development from animals to human beings," he said. "And it certainly looks as though he was right."

In a series of experiments, the Iowa group is investigating the ability of pigeons to assign pictures of objects to such logical categories as "cats" or "automobiles." After being familiarized with the testing apparatus, the pigeons respond to questions by pecking at keys representing possible answers. A computer controls and records all experiments, and when a pigeon pecks a correct answer the bird is automatically rewarded with a pinch of grain.

"Pigeons commit new images to memory at lightning speed," Dr. Wasserman said, "but the remarkable thing is that they organize images of things into the same logical categories that human beings use when we conceptualize."

Experiments devised by Dr. Wasserman, his former graduate student, Dr. Ramesh S. Bhatt, and others in the Iowa group have built upon pigeon research begun in the 1960s by Dr. Richard J. Herrnstein of Harvard University. Dr. Herrnstein and other investigators have shown that pigeons can distinguish between images that contain some type of object and images that do not. Dr. Wasserman carried this discovery a step further by showing that pigeons can distinguish among at least four categories of objects and, he said, "probably vastly more than that."

He also found no difference in a pigeon's ability to distinguish "natural" objects like flowers and artificial ones like chairs. In this, his finding differed from that of Dr. Herrnstein, who suggested that pigeons were better able to recognize categories for natural objects rather than artificial ones. "The difference in our

results is probably the result of some variation in experimental technique," Dr. Wasserman said.

Dr. Herbert S. Terrace, a psychologist at Columbia University who conducts conceptualization experiments with pigeons and chimpanzees, said all such experiments have failed to settle a major controversy. "The big question is what the pigeon really sees when it is presented with these two-dimensional images," Dr. Terrace said. "Whether or not it can make the connection between an image and reality is a question that remains unanswered and not much work is being done to answer it."

Critics contend that no experiment can demonstrate unequivocally that an animal associates the image of an object with the real thing. However persuasive the evidence may seem, Dr. Wasserman acknowledged, "no one can get inside a pigeon's head."

The four categories Wasserman's group used in the experiments, which were reported in the Journal of Experimental Psychology, were cats (or in some cases, human beings), chairs, automobiles and flowers. Objects were shown from different perspectives, in altered lighting or settings and sometimes partially hidden.

In one test, 500 slides from each category were mixed in random order and shown to pigeons. Ten images from each category were repeatedly flashed on the screen until the subjects had learned to classify them correctly. The remaining slides were then presented with no repetitions. If a pigeon pecked the key corresponding to the correct category, it was rewarded; otherwise, the next slide was presented.

Dr. Wasserman said the birds achieved an accuracy rate of about 70 percent in this test. Since random pecking at the keys would have yielded a score of about 25 percent, he regards the result as highly significant. "It's not just a matter of rote learning," he said.

Experiments of this kind, Dr. Wasserman believes, may shed light on one of the principal debates in behavioral psychology: whether animals, including pigeons and human beings, conceptualize categories of things in terms of average "prototypes" or by reference to a huge file of similar stored images referred to as "exemplars."

"Our experiments have not settled the debate," he said, "but I think the evidence is growing that the richer a memory is in stored images the more capable it is of distinguishing categories. I feel the exemplar explanation is probably closest to the truth."

IN BRIEF

Evidence of Atmosphere on Pluto

NEW YORK (NYT) — Observations of a star as it passed behind Pluto, the outermost planet in the solar system, have confirmed that despite its small size the planet has an atmosphere.

The observations were made in June with a one-meter telescope at the University of Tasmania. They were analyzed by scientists there and at the Lunar and Planetary Laboratory of the University of Arizona.

Astronomers at several sites in Tasmania, Australia, New Zealand and elsewhere in the South Pacific were in a position to watch the event in occultation. As the star passed behind Pluto, the light from the star gradually dimmed and then gradually returned. The gradual rather than sudden dimming led astronomers to conclude that the planet had an atmosphere whose thickness was comparable to the radius of the planet.

250 Plants in U.S. Near Extinction

WASHINGTON (WP) — The blue and purple flowers of Penland's beardtongue, the bright pink Peter's Mountain mallow and more than 250 other plants and their distinctive features may vanish from the United States within the next five years, according to a survey at the Smithsonian Institution.

"Of the estimated 25,000 species and varieties of plants native to the United States, about 3,000, or 8 percent, are estimated to be in danger of extinction."

Three-quarters of those plants that are now on the verge of extinction are concentrated in four states: Hawaii, California, Texas and Florida, and in Puerto Rico. Among the 253 kinds of plants counted as nearest to extinction are such rare species as the banana Vanderbilii, a 30-foot tall tropical tree with yellow flowers and fleshy fruit, all of which are left in Puerto Rico, and the Hedysotis parvula (shown here), a small shrub of the madder family that is known from a single specimen at the base of a cliff on the island of Oahu.



Hedysotis parvula, Hawaii.

Tumor Growth Detected Sooner

NEW YORK (NYT) — A computer-assisted way to look at brain scans is enabling researchers to determine whether tumors are changing in size much sooner than was previously possible.

The method, developed by Dr. David N. Kennedy, a medical physicist at the Massachusetts General Hospital in Boston, uses a computer to delineate abnormalities inside the brain by analyzing magnetic resonance images. The computer homes in on differences in brightness in the images and draws outlines of brain structures.

In general, Dr. Kennedy said, a tumor must change in volume by at least 30 percent before doctors can be certain that a change has taken place. The method allows doctors to be sure of changes when a tumor's volume has changed by only 10 percent.

Younger People Getting Skin Cancer

WASHINGTON (AP) — Melanoma, a fatal type of skin cancer, is affecting more people at a younger age than ever before, and the trend may get worse if chemical pollution continues to leach natural ozone from the atmosphere, an expert says.

It is believed that melanoma, a skin cancer that will spread throughout the body if not excised by surgery early, develops after 10 to 20 years of heavy or damaging exposure to ultraviolet rays of the sun. But Dr. Darrell S. Rigel, an assistant clinical professor of dermatology at New York University Medical School, said a loss of ozone in the atmosphere "might be the explanation of why people are getting it younger and younger — maybe. That has been thought up as a hypothesis."

Ozone is a gas present in the atmosphere that partially blocks ultraviolet rays from reaching the Earth's surface. Studies in recent years have shown that some types of chemical pollutants, principally the fluorocarbons that are used for refrigerants and solvents, destroy the atmospheric ozone, thus allowing more ultraviolet rays to reach Earth.

Virus Tied to Nerve Diseases

By Harold M. Schmeck Jr.
New York Times Service

A VIRUS that is considered a potential threat to the blood supply because it causes cancer in humans, may also be a cause of serious nervous-system disorders, scientists say.

In adults, the virus, HTLV-1, can cause leukemia, a cancer of the body's blood-forming system. It was first linked to cancer in Japan and was later found to cause leukemia and a closely related form of lymphoma in other parts of Asia, Africa and the Caribbean basin. A few cases have also been found in the southeastern United States.

But research suggests that the virus may also cause paralytic disease and some cases of a nerve disorder, the symptoms of which are similar to those of multiple sclerosis.

Dr. Robert C. Gallo of the United States National Cancer Institute, who isolated and identified the virus in 1980, said the new studies show it to be more widespread and potentially important as a cause of disease of the nervous system than it is as a cause of cancer.

HTLV-1 and the closely related HTLV-2 belong to a class of viruses, called retroviruses, that includes HIV, the cause of AIDS. HTLV-2 has not yet been proved to cause any known disease. HIV, the human immunodeficiency virus, has been intensely studied since it was identified as the cause of acquired immune deficiency syndrome.

HTLV-1 has been the subject of much less study. The evidence link-

ing HTLV-1 to nerve disorders provides a need and an opportunity for new research, Dr. Gallo said. It is not known, for example, why HTLV-1 causes cancer in some patients and appears to cause nerve disorders but not cancer in others.

Viruses isolated from both types of patients appear to be the same, but Dr. Gallo said there may be subtle differences. If so, that fact could be a clue to the nature of cancer and of nerve disease.

Last week the U.S. Food and Drug Administration approved kits to be used to test donated blood for evidence of HTLV-1. The FDA hopes to prevent the virus from spreading through blood transfusions. Dr. Frank E. Young, the agency's commissioner, said

that, while the virus is rare, testing is recommended "to be on the safe side."

In an interview at the cancer institute in Bethesda, Maryland, Dr. Gallo applauded the decision. He noted that the virus is becoming more common among intravenous drug users. HTLV-1, for human T-lymphotropic virus, is best known for causing leukemias that involve the T-cells, white blood cells that are vital to the immune defense system.

Dr. Gallo said the virus has also been linked to other cancers of the blood-forming system and to some non-cancerous failures of the immune system. He said it is not known how that virus causes disorders of the nervous system.

INTERNATIONAL POSITIONS
HEAD OF RESEARCH
Amnesty International needs a Head of Research to manage the 130 research and legal staff at the International Secretariat in London. S/he is responsible for the maintenance of the quality and impartiality of Amnesty International's information, published material, and approaches to government, and for the consistent application of agreed policies and advising on their development. S/he is responsible for ensuring that the International Secretariat's country programs and work with inter-governmental organizations are properly planned in the context of global and regional priorities.

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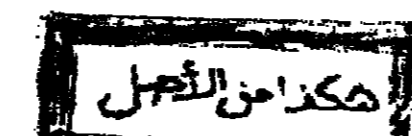
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INTERNATIONAL COMMITTEE FOR PALESTINIAN HUMAN RIGHTS (ICPHR)
On the occasion of the first anniversary of the Palestinian Intifada the constituting session of the ICPHR has taken place in Vienna/Austria. The Committee — established under the auspices of the International Progress Organization, a consultative organization of the United Nations — will closely monitor the human rights violations in the occupied Palestinian territories and will report periodically to the U.N. Commission on Human Rights in Geneva.

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N BRIEF
atmosphere on Pluto
Observations of a star as it passed...

NYSE Most Actives
Table with columns: Vol, High, Low, Last, Chg. Lists top trading stocks like LULCO, AMER, etc.

Market Sales
NYSE 4 p.m. volume, AMEX 4 p.m. volume, OTC 4 p.m. volume, etc.

NYSE Index
High, Low, Close, Chg. Composite index, Industrial, Finance, etc.

Wednesdays NYSE Closing
Via The Associated Press

AMEX Diary
Advanced, Declined, Unchanged, Total Issues, New Highs, New Lows

NASDAQ Index
Composite, Industrial, Finance, Insurance, Utilities, Transp.

AMEX Most Actives
Table with columns: Vol, High, Low, Last, Chg. Lists active stocks on AMEX.

U.S. Near Extinction
Pink Peter's Mountain mallow and...

with Detected Sooner
A computer-assisted way to look...

People Getting Skin Ca
A new cream, a fatal type of skin...

N.Y. Stocks Record Small Gain

NEW YORK — Prices were slightly higher in moderate trading on the New York Stock Exchange on Wednesday as enthusiasm about the announcement of cutbacks in Soviet military levels was muted.
The Dow Jones industrial average, which rose 25.60 points on Tuesday, advanced 4.27 to close at 2,153.63.

Dow Jones Bond Averages

Table with columns: Bonds, Close, Chg. Lists bond averages for various categories.

Odd-Lot Trading in N.Y.

Table with columns: Buy, Sales, %TYP. Lists odd-lot trading statistics.

Dow Jones Averages

Table with columns: Open, High, Low, Last, Chg. Lists Dow Jones averages for various indices.

Standard & Poor's Index

Table with columns: High, Low, Close, Chg. Lists Standard & Poor's index data.

NASDAQ Diary

Table with columns: Class, Prev. Lists NASDAQ diary statistics.

AMEX Stock Index

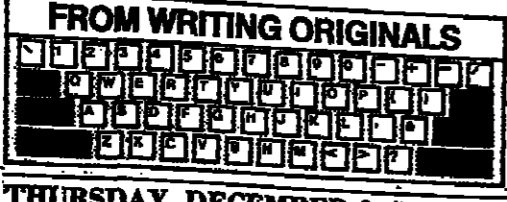
Table with columns: High, Low, Close, Chg. Lists AMEX stock index data.

12 Month High Low Stock Div. Yld. PE

Large table with multiple columns: 12 Month High Low Stock Div. Yld. PE. Lists various stock market data.

Christmas
%
Advertisement for French Company Handbook 1988.

FRENCH COMPANY HANDBOOK 1988
Now in the 1988 completely revised and updated edition, almost 200 pages of indispensable information in English on a selection of 85 of the most important French companies...
Published by International Business Development with the International Herald Tribune.



THURSDAY, DECEMBER 8, 1988

INTERNATIONAL MANAGER

European Schools Argue Bachelors Are Attractive

By SHERRY BUCHANAN International Herald Tribune LONDON — The Jesuits, known for centuries as the preeminent educators of the Roman Catholic Church, are running a business college in Madrid that offers not only the normal postgraduate degree program but also accepts high school graduates with a view to turning this younger flock into true Euromanagers...

'Our students upset the apple cart far less than MBAs,' one business school official said.

MAN IN THE NEWS

Boskin, Father of Flexible Freeze and Now CEA

By Peter T. Kilborn New York Times Service WASHINGTON — Michael Jay Boskin, the respected, eclectic conservative scholar who has been named George Bush's chief economic adviser, has written gently but critically of the Reagan administration's economic policies.

"My basic feeling," he said in an interview a few days ago, "is that I have had a long enough, serious enough interaction with these people to know they want high-quality, serious economic advice. But I do not think it is the role of the adviser to get public about a disagreement with a decision the president makes. It's the president who got elected, not me."

Mr. Boskin, born in New York City, attended the University of California at Berkeley during the turbulent 1960s. He also did graduate work there. Stanford praises him in particular for establishing a business-funded research center, at which students of economics, business and engineering study issues of common interest.

inflation rate. Spending for some programs could grow, but other spending would have to be reduced correspondingly. Mr. Boskin said the economy's growth would generate enough new revenue to put the budget in balance within five years.



Michael Boskin's spending proposal has met skepticism.

REAGAN Initiative

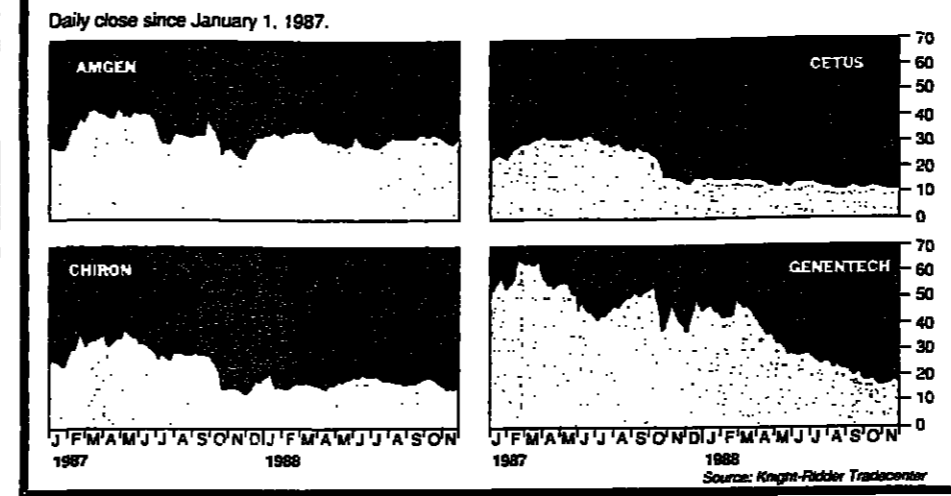
Continued from page 1... Mr. Bush said he was going to an initial press conference after the luncheon there were warm in tone. There was an interesting exchange of views about such things as the timing of change, he said.

Clowes Scandal Widens

Financier, 2 More Face New Charges LONDON — The British financier Peter Clowes, whose Barlow Clowes investment group collapsed last May, was charged Wednesday with theft and conspiracy to steal more than £2.5 million (\$41.6 million).

The police Serious Fraud Office said Mr. Clowes was charged together with two business associates, Peter Naylor and Christopher Newman, who were arrested at their homes early Wednesday.

The Poor Performance of Biotechnology Stocks



Biotech Suffering Cash Deficiency

The Market Collapse Hurt Prospects at a Critical Phase By Lawrence M. Fisher New York Times Service SAN FRANCISCO — After investing billions of dollars and dreaming for years about creating products that would change daily life, the biotechnology industry is running out of cash.



are forming partnerships with large pharmaceuticals or chemical companies, a sign that the young concerns will not supplant traditional drug manufacturers.

Dollar Surges After Gorbachev Defense Speech

Compiled by Our Staff From Dispatches NEW YORK — The dollar soared Wednesday, gaining more than two pence against the Deutsche mark and almost two yen, in response to the Soviet Union's plans to reduce its troops and cut conventional arms.

is now trading at its strongest levels for a month. Several currency dealers stressed that the market needed dollars for year-end accounting purposes in any case.

In a speech to the United Nations, Mikhail S. Gorbachev, the Soviet leader, said the Soviet Union would trim its armed forces by 500,000 over two years and would withdraw and disband by 1991 six tank divisions from East Germany, Czechoslovakia and Hungary.

Despite the disorderly conditions, dealers said they did not detect any intervention by the Federal Reserve to smooth the rise. Some traders felt that the effect of Mr. Gorbachev's visit would not last. "The market was oversold and was looking for an excuse to buy dollars," said a trader with American Security Bank.

Currency Rates

Table with columns for Currency, Par \$, D.M., F.F., I.L., G.H., S.F., S.P., Yen. Lists rates for Amsterdam, Frankfurt, London, New York, Paris, Tokyo, Zurich, etc.

Other Dollar Values

Table with columns for Currency, Par \$, D.M., F.F., I.L., G.H., S.F., S.P., Yen. Lists values for Argon, Austral, Swiss, etc.

Forward Rates

Table with columns for Currency, 30-day, 60-day, 90-day, 180-day, 360-day. Lists forward rates for Pound Sterling, Japanese Yen, Deutsche mark, etc.

Interest Rates

Table with columns for Eurocurrency Deposits, 1 month, 3 months, 6 months, 1 year. Lists rates for Dollar, D-Mark, Franc, etc.

Key Money Rates

Table with columns for Country, 3-month, 6-month, 1-year. Lists money rates for United States, Canada, West Germany, etc.

Asian Dollar Deposits

Table with columns for Country, 1 month, 3 months, 6 months, 1 year. Lists dollar deposits for Hong Kong, Luxembourg, Zurich, etc.

U.S. Money Market Funds

Table with columns for Fund Name, 30-day average yield, 1-year. Lists funds like Merrill Lynch Money Assets, etc.

Gold

Table with columns for Country, 1000 grams, 100 grams. Lists gold prices for Hong Kong, Luxembourg, Zurich, etc.

Tokyo Stocks Soar Through 30,000

Compiled by Our Staff From Dispatches TOKYO — A flurry of buy orders just before the close of trading Wednesday, marking the first ever "witching hour" after the introduction of stock-index futures in Japan, sent the Nikkei average shooting through the 30,000-year mark to a fresh record.

Some bought issues heavily weighted in the more narrowly based Nikkei index in a bid to manipulate that average higher.

The possibility of the futures market causing volatility in the cash market has worried some participants and kept many Japanese houses from engaging in arbitrage activity.

Investors, eager for signs that the U.S. budget deficit will be reduced, responded quickly. Such a cut in troops, if matched by the United States, could point to sharply lower military outlays.

Brokers said that many Japanese investors liquidated their long December contracts and opened short March ones on Wednesday.

This caused a large spread between December, moving in parallel with the cash market, and the March contract, which rose in contango, a pricing situation in which futures prices rise as maturities lengthen.

This prompted arbitrageurs to take profits by buying in the cash market and selling March futures, brokers said. In the Nikkei contract, this contango was as wide as 500 points on Wednesday.

Some investors who liquidated long December positions used the profits to buy stock rather than March contracts, due to the contract's high price, and this helped push up the market, brokers said.

The Nikkei-225 index futures contract on the Osaka Stock Exchange and the TOPIX contract on the Tokyo Stock Exchange were launched on Sept. 3.

The surge Wednesday was due to several factors, brokers said. "The main reason for the sharp rise towards the close is that there was arbitrage activity between the cash and futures markets," said one trader.

The strength of the U.S. stock and bond markets lent support to Tokyo, said Craig Chandler, a market strategist at the brokerage Smith New Court.

The Dow Jones industrial average jumped 25.60 points to 2,149.36 on Tuesday, adding to Monday's 31.48-point rally.



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CORUM advertisement featuring a watch image and text: "Designs on time. Individually made with a degree of skill and care that belongs to a former time. Corum Watches carry design into the future." Includes contact information for Corum in Switzerland.

BUSINESS ROUNDUP

Saatchi Pretax Profit Increases 11%

LONDON — Saatchi & Saatchi Co., the world's biggest advertising agency, said Wednesday that pretax profit rose 11.2 percent in the year ended Sept. 30...

Sales for the concern, which boasts half the world's top 500 companies as its clients, rose 11.4 percent, to \$262.2 million. After-tax profit rose to \$27.6 million from \$25.8 million.

analyst with the London stockbrokers Phillips & Drew. "This is a period of consolidation. The dollar has been a factor, also."

Dutch DSM Says Profit Rises As Privatization Date Is Set

HEERLEN, the Netherlands — DSM NV, the soon-to-be privatized Dutch chemicals company, said Wednesday that its net profit had risen 27.2 percent to 454 million guilders (\$231.6 million) in the first nine months of 1988.

1987 period "notably because market conditions continued to be favorable at lower feedstock prices."

Along the way, Saatchi captured more big accounts and ate up competitors to become the world's largest advertising agency.

Fujitsu Line May Give Japan an Edge in Supercomputers

TOKYO — Major new products from Fujitsu Ltd. appear to have given Japan the edge over U.S. companies in a race to raise the raw power of supercomputers, industry experts said.

Research Inc., the U.S. market leader. The Cray model, the Y-MP, uses eight processors, Fujitsu said.

in architecture, harnessing many processors to the same memory, which gives higher throughput," Mr. Mendez said.

REAGAN Initiative

(Continued from page 1) Soutz said at an initial press conference after the luncheon that the program would be a "win-win" situation.

BIO: Hit by the Market Collapse, a Young Industry is Running Out of Cash

(Continued from first finance page) but to become available, analysts predicted 1988 sales as high as \$500 million. In the fall, the company scaled back projections to \$180 million.

Poland Seeks Hard Currency In Fiat Deal

WARSAW — Poland's decision to radically change a 560 billion lire (\$430 million) deal with Fiat SpA was motivated by Warsaw's desire to build a car that can be exported for hard currency, Italian sources said.

First Canadian 'Poison Pill' Thrown Into Doubt By Suit

By Floyd Norris New York Times Service NEW YORK — A shareholder vote on Inco Ltd.'s "poison pill" takeover defense, the first to be proposed by a Canadian corporation, has been thrown into doubt by a court challenge filed by one of the nickel producer's top shareholders.

Kodak-Pathé To Buy Units

Agence France-Press PARIS — Kodak-Pathé, the French subsidiary of the U.S. photo-equipment maker Eastman Kodak Co., announced Wednesday that it will take over two French photo labs for just under 500 million French francs (\$84.8 million).

Republic Clearing Corporation

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Asia Pacific Growth Fund

Weekly net asset value on 2-12-1988 U.S. \$40.12 Listed on the Amsterdam Stock Exchange

DP Resources Growth Fund

Weekly net asset value on 2-12-1988 U.S. \$32.12 Listed on the Amsterdam Stock Exchange

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The Royal Bank of Scotland Group plc

1988 has been a year of record growth, with the Group's profits exceeding £300m for the first time, a strong performance which we intend not merely to sustain but improve upon in the future.

EXTENDING OUR GLOBAL REPRESENTATION The imminent acquisition of Citizens Financial Group in the USA and our commercial links with Banco Santander Group in Spain will broaden our international horizons

FINANCIAL HIGHLIGHTS Results for the year to 30th September, 1988

Table with 4 columns: Item, Year to 30.9.88, Year to 30.9.87, Change. Rows include Profit before taxation, Profit attributable to ordinary shareholders, Total assets, Earnings per 25p ordinary share, Dividends per ordinary share, Dividend cover (times).

Each division within the Group is successful, but it is collectively that their optimum development can be achieved. It is by drawing all the strengths of our subsidiaries together that we can best achieve rewards for our shareholders.

SUCCESS IN THE YEARS AHEAD Our goal is prudent growth, development and success, with automation and technology assuming increasing importance.

Our objective is to remain an independent Group offering an increasingly wide variety of services

REAGAN Initiative

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Long-time Trib fashion editor, Hebe Dorsey went into the archives of the old Paris Herald (original name of today's Trib) and collected the great news stories of the turn of the century...



Order form for 'THE BELLE EPOQUE IN THE PARIS HERALD' book, including fields for name, address, city, and country, and a section for payment method (credit card or check).

Wednesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	High	Low	Open	Close	Change
IBM	125.00	124.00	124.50	124.50	+0.50
Microsoft	35.00	34.00	34.50	34.50	+0.50
Apple	28.00	27.00	27.50	27.50	+0.50
Oracle	18.00	17.00	17.50	17.50	+0.50
Lotus	15.00	14.00	14.50	14.50	+0.50
Novell	12.00	11.00	11.50	11.50	+0.50
Intuit	10.00	9.00	9.50	9.50	+0.50
Parsons	8.00	7.00	7.50	7.50	+0.50
Amgen	7.00	6.00	6.50	6.50	+0.50
Amgen	6.00	5.00	5.50	5.50	+0.50
Amgen	5.00	4.00	4.50	4.50	+0.50
Amgen	4.00	3.00	3.50	3.50	+0.50
Amgen	3.00	2.00	2.50	2.50	+0.50
Amgen	2.00	1.00	1.50	1.50	+0.50
Amgen	1.00	0.50	0.75	0.75	+0.50
Amgen	0.50	0.25	0.375	0.375	+0.50
Amgen	0.25	0.125	0.1875	0.1875	+0.50
Amgen	0.125	0.0625	0.09375	0.09375	+0.50
Amgen	0.0625	0.03125	0.046875	0.046875	+0.50
Amgen	0.03125	0.015625	0.0234375	0.0234375	+0.50
Amgen	0.015625	0.0078125	0.01171875	0.01171875	+0.50
Amgen	0.0078125	0.00390625	0.005859375	0.005859375	+0.50
Amgen	0.00390625	0.001953125	0.0029296875	0.0029296875	+0.50
Amgen	0.001953125	0.0009765625	0.00146484375	0.00146484375	+0.50
Amgen	0.0009765625	0.00048828125	0.000732421875	0.000732421875	+0.50
Amgen	0.00048828125	0.000244140625	0.0003662109375	0.0003662109375	+0.50
Amgen	0.000244140625	0.0001220703125	0.00018310546875	0.00018310546875	+0.50
Amgen	0.0001220703125	0.00006103515625	0.000091552734375	0.000091552734375	+0.50
Amgen	0.00006103515625	0.000030517578125	0.0000457763671875	0.0000457763671875	+0.50
Amgen	0.000030517578125	0.0000152587890625	0.00002288818359375	0.00002288818359375	+0.50
Amgen	0.0000152587890625	0.00000762939453125	0.000011444091796875	0.000011444091796875	+0.50
Amgen	0.00000762939453125	0.000003814697265625	0.0000057220458984375	0.0000057220458984375	+0.50
Amgen	0.000003814697265625	0.0000019073486328125	0.00000286102294921875	0.00000286102294921875	+0.50
Amgen	0.0000019073486328125	0.00000095367431640625	0.000001430511474609375	0.000001430511474609375	+0.50
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Amgen	0.000000007450580596923828125	0.0000000037252902984619140625	0.0000000055879354476928659375	0.0000000055879354476928659375	+0.50
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Amgen	0.000000000116415321826934814453125	0.0000000000582076609134674072265625	0.0000000000873114913702010302734375	0.0000000000873114913702010302734375	+0.50
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Amgen	0.00000000002910383045673370361328125	0.000000000014551915228366851806640625	0.000000000021827872842550257568359375	0.000000000021827872842550257568359375	+0.50
Amgen	0.000000000014551915228366851806640625	0.0000000000072759576141834259033203125	0.000000000010913936421275128788171875	0.000000000010913936421275128788171875	+0.50
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Amgen	0.00000000000363797880709171295166015625	0.0000000000018189894035458564757803125	0.000000000002728484105318732196984375	0.000000000002728484105318732196984375	+0.50
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Amgen	0.0000000000004547473508864118939453125	0.00000000000022737367544320969697265625	0.000000000000341060513164841524622421875	0.000000000000341060513164841524622421875	+0.50
Amgen	0.00000000000022737367544320969697265625	0.000000000000113686837721604848486328125	0.00000000000017053025658242076231171875	0.00000000000017053025658242076231171875	+0.50
Amgen	0.000000000000113686837721604848486328125	0.000000000000056843418860802424243166015625	0.000000000000085265128291210381155078125	0.000000000000085265128291210381155078125	+0.50
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Amgen	0.00000000000000022204460492500946970140625	0.0000000000000001110223024625047348507265625	0.00000000000000016653345369375215069412109375	0.00000000000000016653345369375215069412109375	+0.50
Amgen	0.0000000000000001110223024625047348507265625	0.0000000000000000555111512312523674253628125	0.000000000000000083266726846876075346171875	0.000000000000000083266726846876075346171875	+0.50
Amgen	0.0000000000000000555111512312523674253628125	0.00000000000000002775557561562518371268140625	0.0000000000000000416333634234378761908484375	0.0000000000000000416333634234378761908484375	+0.50
Amgen	0.00000000000000002775557561562518371268140625	0.0000000000000000138777878078125918563042109375	0.000000000000000020816681711718937805171875	0.000000000000000020816681711718937805171875	+0.50
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Amgen	0.00000000000000000693889390390625459252606046875	0.00000000000000000346944695195312522962630328125	0.000000000000000005204170427929734468937805171875	0.000000000000000005204170427929734468937805171875	+0.50
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Amgen	0.000000000000000001734723475976562511481316640625	0.000000000000000000867361737988281255740683203125	0.000000000000000001301042606982433617234468937805171875	0.000000000000000001301042606982433617234468937805171875	+0.50
Amgen	0.000000000000000000867361737988281255740683203125	0.000000000000000000433680868994140625287034160625	0.000000000000000000650521303491716808602776484375	0.000000000000000000650521303491716808602776484375	+0.50
Amgen	0.000000000000000000433680868994140625287034160625	0.00000000000000000021684043449707031251435170803125	0.00000000000000000032526065174585841264253628125	0.00000000000000000032526065174585841264253628125	+0.50
Amgen	0.00000000000000000021684043449707031251435170803125	0.00000000000000000010842021724853515625717540625	0.00000000000000000016263032587292920626171875	0.00000000000000000016263032587292920626171875	+0.50
Amgen	0.00000000000000000010842021724853515625717540625	0.000000000000000000054210108624267578125358760625	0.000000000000000000081315162936464603168937805171875	0.000000000000000000081315162936464603168937805171875	+0.50
Amgen	0.000000000000000000054210108624267578125358760625	0.00000000000000000002710505431213378906251793803125	0.00000000000000000004065758146823230164468937805171875	0.00000000000000000004065758146823230164468937805171875	+0.50
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Amgen	0.000000000000000000013552527156066894531258969015625	0.00000000000000000000677626357803344726562544845078125	0.00000000000000000001016439536705787541171875		

CURRENCY MARKETS

DOLLAR: Gorbachev Speech Sends Currency Higher

(Continued from first finance page)

lower on a variety of rumors and news reports throughout the morning.

Mr. Gorbachev's announcement brought prices up to Tuesday's closing levels. But prices slipped at midlevel. The yield rose to 8.99 percent from 8.92.

However, part of the move down was just a correction to Tuesday's unexpected two-point run-up in prices, traders said.

Questions were also being raised on what Mr. Gorbachev's announcement would actually mean to the U.S. budget deficit process.

Table with 3 columns: Currency, Bid, Ask. Includes London Dollar Rates for Deutsche mark, Pound sterling, Japanese yen, Swiss franc, French franc, and Source: Reuters.

dollar short-covering rally, dealers said.

Chris Tinker, currency economist with the brokerage Phillips & Drew, said the Soviet move effectively has removed a large political block to cutting defense spending.

"It gives Bush a lever," he said. "And many people in the markets were relieved at the opportunity to cover short dollar positions going into the holidays."

The dollar closed more than three pence higher against the mark, at 1.7620 against 1.7310 on Tuesday, and rose to 123.75 yen from 121.60.

The pound dropped to \$1.8360 from \$1.8665, while the dollar firmed to \$0.6963 Swiss francs from 1.4510 and to 6.0130 French francs from 5.9125.

(Reuters, AFP)

Gold Prices Expected to Slide After Rally Stalls

Platinum tends to lift gold with it when it rises strongly.

But metals analysts said the platinum market was a thin one, easily affected by small changes in supply and demand.

Despite initial euphoria over the bullish performance of precious metals in the last two weeks, London analysts remain skeptical of sustained price rises in both gold and platinum.

Mr. Birch said gold did not have the momentum to push above its present 200-day average price of \$434, so the near-term moves for the precious metal will be down.

Increased investment interest, industrial use and the launch of two new platinum coins by Australia and Canada suggested platinum supplies would be short at least into next year.

"We have had all the bullish factors for gold — a weak dollar, farmer oil prices, a re-elected Republican U.S. government, good Far East demand and then the platinum price rally, but we still haven't broken this key resistance level of \$434," said Mr. Birch.

Rhona O'Connell, precious metals analyst with Shearson Lehman Hutton Inc., is not as pessimistic as Mr. Birch. She said she expected gold to start 1989 between \$415 and \$425 an ounce.

The gold rally failed largely because of a lack of buyers rather than heavy selling, but

uncertainty is likely to continue over the next four to five months with traders not sure that inflation is fully under control, Ms. O'Connell said.

She said the release of higher-than-expected U.S. employment figures at the end of last week suggested sustained U.S. economic growth was still possible. This kept inflationary fears in traders' minds and helped the gold rally.

She said the outlook for precious metals would depend on a large extent on the incoming U.S. administration's efforts to control the country's trade deficit.

"The short to medium-term outlook for gold will depend on the financial market perception of the ability and strength of character of the new U.S. administration," she added.

If investors are worried that U.S. deficits will not be narrowed, they may be ready to hedge in gold.

Ms. O'Connell saw support at \$400 for gold, but she said analysts also expected support, especially from the Far East, at that level since gold is relatively cheap in yen terms.

But Mr. Birch said precious metals have been experiencing a bear market rally. Bear markets in precious metals usually last 20 months to 30 months and the current one is only 12 months old, he said.

U.K. to Toughen Disclosure Rules For Stockholders

LONDON — Britain on Wednesday said it planned to make it easier to find out the identity of shareholders in companies, especially in the run-up to takeover bids.

The corporate affairs minister, Francis Maude, said the level at which interests in companies must be disclosed would be reduced to 3 percent of a company's equity from 5 percent and the deadline for disclosure would be cut to two days from five.

"I believe that the changes we propose to make will significantly improve market transparency, and will in particular give investors an early indication when a potential offeror purchases a large interest in a company," Mr. Maude said.

The changes would be part of the planned companies bill, which a Trade and Industry Department spokesman said would be launched later this year and could be enacted in the summer or autumn of 1989.

GATT: Dispute Between U.S., EC Flares On Subsidies

(Continued from page 1)

falling to show "goodwill" in the negotiations by warning that the U.S. Congress would approve increased farm-export subsidies if the European Community did not respond to Washington's demands.

Frans Andriessen, the EC vice president for agriculture, was so angered by an attack on EC subsidies by Richard E. Lyng, the U.S. secretary of agriculture, that he walked out of a negotiating session on Tuesday and said he wanted no more contact with the U.S. delegation.

Mr. Andriessen is widely expected to be appointed as the next chief trade negotiator for the community, replacing Mr. De Clercq in the new year.

Mr. De Clercq said the atmosphere at a meeting of U.S., EC, Japanese and Canadian representatives Tuesday was the worst he could remember.

But U.S. officials said a resolution of the dispute depended on the European Community. The community's claim that the abolition of subsidies was politically difficult was "unacceptable," said Daniel Amstutz, the U.S. special negotiator on agriculture.

Although several EC countries, led by Britain, have expressed some sympathy with the U.S. stand, Mr.

Nallet insisted that the 12 EC member governments had shown "very strong solidarity" so far in resisting the American demands.

Conference officials said that while it might be theoretically possible to go ahead with agreements reached in other areas of the negotiations this week, it would be difficult "in reality," if the United States and the European Community failed to resolve their differences over agriculture subsidies.

"We are certainly in the game of linkage," an official said. The talks had made good progress on proposals to strengthen the General Agreement on Tariffs and Trade, the Geneva-based custodian of the international trading system, under whose aegis the Montreal talks are being conducted, the officials said.

The Montreal meeting is intended to give new political impetus to the Uruguay Round of international trade negotiations, which began two years ago and has now reached its planned mid-point.

Measures to strengthen the trading system that could be agreed upon in Montreal include greater ministerial involvement in GATT and a plan for regular GATT surveillance of member countries' trade policies to identify and head off protectionist tendencies.

Officials said there had also been some progress on the freeing of international trade in services, although in this sector, too, the United States and Europe remained at odds.

The United States wants companies supplying services, like banks and insurance concerns, to be granted "national treatment" in other countries — an arrangement that would give U.S. companies free range in the European Community's post-1992 single market.

The community, however, argues that the national treatment provision would not be enough to give EC companies equal access to more regulated markets like those of the United States and Japan. It wants provisions guaranteeing complete free access.

French officials said negotiations on the protection of intellectual property, such as patents and copyrights, were being blocked by developing countries, which want much greater access to technological advances in areas like chemicals and pharmaceuticals.

The developing countries were also making strong demands for an end to restrictions on trade in textiles, which went much further than the industrial countries were prepared to accept, officials said.

Economists See Few Signs of Fizzle in South Korean Boom

SEOUL — South Korea's booming economy is set to have another bumper year in 1989, despite repeated official warnings of a slowdown, according to economists and brokers.

The Bank of Korea, the central bank, predicted last week that gross national product growth would slow to about 8 percent next year after three years of double-digit rises.

The bank said in a report that the recent appreciation of the won and rising labor costs would check export growth, the main thrust behind the South Korean economy.

But most economists, bankers and brokers said South Korea faced no fundamental problems and were optimistic about its industrial strength.

"An 8 percent growth would be pretty high by world standards," said George Long, head of the brokerage house, W. I. Carr, in Seoul. "The projection nevertheless seems too conservative."

Mr. Long said the recent upward trend in the Seoul stock market reflected investors' confidence in the economy. The market's composite index has risen more than 7 percent in the past 10 days.

Cho Won-uk, vice president of Bankers Trust Co. in Seoul, said, "Official projections of the economy have continually been revised upward in the past three years. The government's 1989 outlook is not likely to be an exception."

Mr. Cho said the government projected growth rates of between 8 and 9 percent for both 1988 and 1987, when growth actually topped

12 percent. This year's growth, originally estimated at 8 percent, is expected to reach 11.5 percent.

Both the central bank and the trade ministry say the growing current-account surplus, covering trade in goods and services, will continue to force up the won, further eroding South Korea's export competitiveness.

The won, quoted at 687.50 to the dollar on Wednesday, has risen 15.2 percent against the dollar so far this year.

Park Un-soh, a director-general at the trade ministry, told reporters this week that if the won continued its rise, many labor-intensive firms would go bankrupt or give up exports.

Mr. Cho said earlier official forecasts that the South Korean economy would slow considerably in the

second half of 1988 proved wrong, because the government failed to take into account business efforts to adapt to the rising won.

The central bank said GNP grew by an annualized rate of 12.6 percent in the July-September quarter.

Young Soo-gil, a senior economist at the Korea Development Institute, said third-quarter growth was encouraging, buoyed by greater domestic consumption.

"The domestic market has given signals that it might take up some of the economic slack likely to be created once trade slows down," Mr. Young said.

The Korea Automobile Manufacturers' Association said local car sales should rise to 543,000 units this year and 728,000 next year from 420,000 in 1987.

Wednesday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume.

Main financial table with multiple columns for stock prices, including 12 Month High/Low, Div., Yld., PE, and other metrics for various companies.

IBM Rivals Complain Of U.S. Navy Contracts

WASHINGTON — A growing frustration among computer companies about international Business Machines Corp.'s dominance of the federal government computer market has surfaced in a letter signed by six companies complaining that Navy procurement officials unfairly favor IBM in contract awards.

The five-page letter, sent last month to Defense Secretary Frank Carlucci, alleges among other things that Navy personnel routinely "twist" contracts for IBM by drawing computer contract specifications based on IBM products rather than on the government's actual requirements.

"These specifications are designed to either preclude any real competition for IBM, or at the very least, provide an unfair advantage to IBM," the letter said.

The letter was signed by Amdahl Corp., NCR Comten, Storage Technology Corp., Memorex Telex Corp., PacificCorp Capital Inc. and VION Corp.

The companies charge in the letter that procurement abuses "have been instrumental in ensuring awards to IBM for all major large-scale general purpose ADP (automated data processing) hardware requirements since 1983."

The allegations have been referred to the Defense Department's inspector general's office, according to Pentagon spokesman Jim Turner. He said the department was awaiting the results of the investigation before making further comments or taking any further actions.

Vertical text on the left margin: In Tokyo, A Partner For Bush, By Hobart Rowen, NEW YORK — When Reagan took office in 1981, those days are over. American now cope with a much more national, assertive and confident Japanese willingness to challenge the U.S. budget deficit...

BOOKS

SAFARI: A Chronicle of Adventure
By Bartle Bull. 383 pages. \$40. Viking Inc., 40 West 23d Street, New York, N. Y. 10010.

Reviewed by Edmund Morris

ON Nov. 7, 1836, the pioneer English hunter Cornwallis Harris entered a valley in Matabeleland and saw wild elephant for the first time. "Every height and green knoll was dotted over with groups of them, whilst the bottom of the glen exhibited a dense and sable living mass... a picture soul-stirring and sublime."

Allan Quatermain, the development of Nairobi, and "The Safari in Fiction and Film."

In passing, there is a wealth of delicious information: how, for example, to scramble and cook ostrich eggs in the shell. We learn that a single blade of grass can deflect a bullet; that lions relish white men more than black because they "have more salt in their systems"; and that the dangling earlobes of extras in "Out of Africa" were made out of black latex at \$15 a pair.

Non-hunters may gag at such stories, as we sit in our armchairs, yet can we honestly read this book and not sense that the safari — which is to say, hunting in its most ritualized, epic form — is somehow purifying? Like war, it seems to be an intensification of life; like sex, it releases both animal and mystical emotions.

Bull is eloquent in arguing that hunters are the best conservationists, and he cites figures from the Selous Game Reserve in Tanzania that show a rise in the elephant population to 120,000 under regulated hunting in the 1970s, and a drop back to 50,000, "with virtually no large bulls," after licensed hunting was banned and poachers took over in the 1980s. Yet he earlier shows that his beloved gentleman adventurers eradicated big game with as much efficiency as today's AK47-toting, chain-saw-wielding gangs. Even in 1650, there was no hippo left in the Cape Province; 30 years later, every elephant in South Africa had been killed off.

The most valuable chapter, historically speaking, is an account of the famous "scientific expedition" of Roosevelt's great-grandfather in 1909-1910. Bartle Bull's research shows that the great conservationist, contrary to popular myth, was as clumsy a killer after leaving the White House as he had been in youth. "Impatient, inexperienced, a mediocre shot with bad eyesight," TR blasted away at everything that moved, to the embarrassment of his professional companions. He killed nine white rhinos (one asleep), knowing that the species was even then on the verge of extinction.

Edmund Morris won a Pulitzer Prize for "The Rise of Theodore Roosevelt" and is writing a sequel, "Theodore Rex." He wrote this for The Washington Post.

BRIDGE

By Alan Truscott

AT the World Team Olympiad last month in Venice, Denmark won the women's team title, and its open team was tied for fifth. The Danish open team was playing the United States, and the match was in the balance when the diagramed deal arrived three deals from the end. West's weak no-trump opening made it difficult for North-South to communicate, but they headed it aside.

He had good reason to think that any missing red-suit honors would be with West, and so it proved. And the East-West bidding had strongly suggested that South would have a singleton spade. The fate of the slam hinged on the diamond finesse, and as Wolff had foreseen, it succeeded. The Danish North-South rested in game in the replay, so the Americans gained 11 inps. They won the match by 15, but would have lost by 7 if East had produced the diamond king. In that case, Denmark would have had an excellent chance to take the title, for the Americans won their semifinal

BRIDGE diagram showing a card deal with North and South hands and a trump suit of diamonds.

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, Dec. 7

Table of World Stock Markets with columns for Amsterdam, Frankfurt, London, Zurich, Tokyo, etc., listing various stocks and their prices.

Table of International Stock Markets with columns for Toronto, Sao Paulo, Singapore, Manila, Sydney, etc., listing various stocks and their prices.

ACROSS crossword puzzle grid with clues: 1 Not fern, or neut. 5 Young hooter. 10 "Nature's nurse": Shak.

WEATHER forecast for Europe, Asia, North America, Africa, Latin America, Oceania, and Sydney.

DENNIS THE MENACE comic strip panel showing Dennis and Gophers in a winter sale.

JUMBLE word game with a grid and clues: 1. Not fern, or neut. 5. Young hooter. 10. "Nature's nurse": Shak.

- 17 Warlike officers? 20 Snarl 21 Little spotted skunk 22 Playing card 23 Splotch 25 Shrewder 26 — de force 28 African cobra 32 Melville work 33 Passage 34 Govt. org. once headed by Bush 35 A.M. sorrow? 39 Before, in poetry 40 Site of witch trials 41 Fairy-tale opener 42 Barber or Butrons 43 Unique person 44 Thrust 46 Harle's Poker 47 Not flaccid 48 Brought to court 51 Succession; series 55 Gathered a hot-dog condiment? 58 Like some seaman 59 "Remember the —" 60 Bald — eagle 61 Require 62 Tighthead 63 Color called goose gray

PEANUTS comic strip panel with dialogue: "I'M SORRY YOUR CHRISTMAS PLAY WAS CANCELED."

BLONDIE comic strip panel with dialogue: "HOW WAS THE BEER? I'M TRYING TO GET BY WITH ECONOMY FLIGHTS."

WIZARD of ID comic strip panel with dialogue: "OH-OH! ERIC'S JUST WALKED IN. HE DOESN'T COME OVER UNTIL THE PANTS OFF ME."

REX MORGAN comic strip panel with dialogue: "THERE WON'T BE ANY SUDDEN DRAMATIC CHANGE IN MY CONDITION, JEFFREY. WHY DON'T YOU GO HOME AND GET SOME REST?"

DOONESBURY comic strip panel with dialogue: "THE PSYCHIATRIST TOLD ME NOT TO BOTTLE UP MY ANGER. I SHOULD ASSERT MYSELF... SPEAK OUT!"

GARFIELD comic strip panel with dialogue: "JON I HAVE SOMETHING TO TELL YOU. THE REFRIGERATOR STOPPED RUNNING SO I ATE ALL THE FOOD BEFORE IT SPOILED."

Garfield comic strip panel with dialogue: "I KNOW."

Garfield comic strip panel with dialogue: "I KNOW."

مكتبات الامم المتحدة

SPORTS

Wheeling New From the King of Glitz: 'Tour de Trump' Bike Race

By George Vecsey New York Times Service NEW YORK — What do you call a bicycle race that mimics life with the crackheads, cutthroats, red-light-jumpers, highwaymen and lunatics of New York City, then heads out to Pennsylvania, Virginia, Maryland and Delaware...

Dealing Wanted by a Wily Manager: A Tour de Force in Baseball

By Joseph Durso New York Times Service ATLANTA — The boldest, keenest, hottest trader in the ancient art of swapping baseball players these days is Jack McKeon, manager of the San Diego Padres...

'Objective' Scores Ahead for Boxing

By Michael Janofsky New York Times Service VIENNA — Radical changes being considered by the International Amateur Boxing Federation are designed to eliminate subjectivity in scoring and reduce the number of knockouts and knockdowns...

SCOREBOARD

BASKETBALL National Basketball Association Standings. Table with columns for Eastern Conference, Western Conference, and National Basketball Association Standings.

FOOTBALL

National Football League Leaders. Table with columns for National Football Conference, American Football Conference, and National Football League Leaders.

HOCKEY

NHL Standings. Table with columns for Eastern Conference, Western Conference, and NHL Standings.

TRANSITION

TRANSITION. Table listing various sports transitions and news items.

U.S. College Results

U.S. College Results. Table listing college sports results and scores.

SOCCER

SOCCER. Table listing soccer results and scores.



U.S. Basketball, in the Greco-Roman Tradition Northern Iowa's Jason Reese was having a hard day. It got worse when two Iowa players, B.J. Armstrong, left, and Roy Marble took the notion of double-teaming to heart. Iowa prevailed, 95-76.

SIDELINES

Orioles Are Sold ATLANTA (WP) — Agnes Williams, the widow of Edward Bennett Williams, the Baltimore Orioles owner, has reached an agreement to sell the team for approximately \$70 million to a group whose principal shareholder will be Eli S. Jacobs, a New York investor...

U.S. Women Out

MELBOURNE (UPI) — Sweden eliminated the second-seeded United States team in the second round of the Federation Cup women's tennis tournament Wednesday, the first time the United States has failed to reach the quarterfinals of the 26-year-old event...

For the Record

Tracy Rucker of Auburn has won the Outland Trophy as the top college football lineman. (AP)

INTERNATIONAL CLASSIFIED. A large advertisement section containing various classified ads for employment, education, travel, and services.

Handwritten Arabic text at the bottom of the page: "صكمان الأمل"

ART BUCHWALD

The Yule Answer Man

WASHINGTON — It's time once again to ask the Christmas Man some questions. Dear Christmas Man, I was brought up to believe that you couldn't buy love. Now my grandchild tells me that I can. All I have to do is get him a Nintendo set, he says, and he'll love me a "lot." What am I to make of this? Sincerely, Willy Wooster

Dear Willy, Unfortunately, your grandchild is right. You can buy love but it is no longer cheap. The going rate for a \$10 to \$20 doll is one wet kiss on the cheek. Any train set from \$20 to \$50 will guarantee a hug, and for a \$100 Walkman your grandchild will climb onto your lap and let you tell him a story. There are children who will love you even if you don't bring them anything. But to this date, nobody has ever met one. Sincerely yours, C.M.

Dear Christmas Man, My son, Jeremy, is home for the Christmas holiday, but is never in the house. Since we paid for his air fare, do we have any visitation rights? I still worry about him, especially when he is driving and comes home late. Sincerely yours, Ann Dean

Dear Ann, You have no such rights to your children once you enroll them in college. As for being worried about your son coming in late, the only way to

reassure yourself that he is safe is to leave a saucer of milk outside his bedroom door. If the milk is gone in the morning, then you will know that he is all right. Sincerely, C.M.

Dear Christmas Man, Last year I gave a close friend a lovely gift. She has never mentioned the item or thanked me. Now that Christmas is coming up again, I am not sure if I should send her a present or not. My kindest thought is that she never received the gift, and I don't want to penalize her for what could easily be another momentary screw-up in the Post Office. But what I really think is that she has no manners. Sincerely, Billy Boy Louder

Dear Billy Boy, Join the club. Millions and millions of people never get thanked for Christmas presents they sent to relatives and friends. It is now estimated that only one out of eight gift-givers has ever received a note. When sending a gift I have found it very helpful to enclose a letter addressed to myself, thanking her for the gift and saying about it. I ask the recipient of the package to please sign the thank-you note and return it to me in the self-addressed envelope. This more or less guarantees an acknowledgment of the present, and saves the other person an awful lot of guilt. Cheers, C.M.

Dear Christmas Man, What is the world record for a salesperson writing up a purchase in a department store at Christmas, and who holds it? Sincerely, Frank and Dorothy Kleinman

Dear Frank and Dorothy, The world's record for a person transacting a sale is 22 minutes and 12 seconds. It is held by Myra Blunt of Macy's, who completed the paperwork, including checking the charge card, in what is now considered a world record. The speed was so phenomenal that Myra was asked to take a steroid test to make sure that she hadn't cheated. Myra passed the test with flying colors, and is now working in fine lines. Happy Holidays, C.M.

The Last Voyage of a Warship

STOCKHOLM — The 360-year-old warship Wasa moved to its final berth Tuesday with hundreds of people gathered in snowy weather to cheer its last voyage. The Wassa sank on its maiden voyage in 1629. It was salvaged from Stockholm bay in 1961 and displayed in a temporary museum. It was placed on a pontoon and encased in an aluminum shield to protect it during the 275-meter voyage to the site of a new museum, which will open in June 1990. The Wassa, adorned with most of its original 700 gold-leaf sculptures, attracts 500,000 tourists a year.

A Firm Backer of Britain's Class System

By Craig R. Whitney New York Times Service LONDON — With his mane of silver hair, his Oxford-and-Cambridge education, his conservative views about privilege and duty and stewardship, Peregrine Worsthorne might be an elegant throwback to the bygone aristocratic era. Not so. What he wants to do is bring back respect for the idea of the moneyed hereditary class, so discredited in recent years, for the good of the country. "People think it's such an outlandish point of view that they enjoy it as a sort of eccentric jeu d'esprit," the editor and chief columnist of the conservative Sunday Telegraph said with a grin the other day in his office in the London docklands on the eve of his 65th birthday. He was in an expansive mood, ruminating about class, the British establishment, and the general loudness of much of British society, something he thinks could be cured by a healthy dose of deference to old money. Some of his views sound odd for a man who has spent most of his life in journalism. In a much-discussed lecture to a group of fellow Conservatives at their annual party conference this fall, Worsthorne said: "In a democracy almost nothing important can be talked about truthfully except in private, for fear of being misunderstood by a mass electorate. Race cannot be spoken about openly. AIDS cannot either. Nor for the most part can foreign affairs." Asked what he meant, he said: "I mean simply that the element of frankness and truthfulness in public discourse is very small, and only when you actually get them in private do people ever speak truthfully. In private, an Irish politician will say, 'It will be the end of the world if we were actually to have Northern Ireland incorporated in the republic.' But can you get an Irish politician to say that in public? Of course you can't. Likewise, in many ways, the British would be glad to be rid of Northern Ireland, but can't say so. "It is in these areas that I think private discourse is truthful and public discourse is hypocritical. It has been true since democracy took over. Once people depend upon not offending the voter, public discourse becomes hypocrisies; they also enrich trade unions, businesses, and indeed all human organizations — countries as well as that matter."



Peregrine Worsthorne: "I think the class system in the States is as noticeable as it is here."

Worsthorne's notion of where the idea of stewardship is best ingrained, traditional. "I would think that the children of the yuppies, possibly if they have been to good schools, will get back some of that public service ethos. But if you'd gone to a Winchester or Eton from about 1950 to about five years ago, they would have taught you that you weren't any better than anyone else." Thatcher's government has such people in it: "I don't think it's held against the home secretary, Douglas Hurd, that he went to Eton and Oxford," Worsthorne said, but he places him in a different class from Mrs. Thatcher. "In our readership, it was really quite surprising. People are very odd, aren't they?" A former foreign correspondent who covered the United States for The Times of London from 1951 to 1954, Worsthorne said: "I think the class system in the States is as noticeable as it is here. The confidence, the style of life of the WASP in America is an absolutely clear-cut type. They may not run the country, but they know each other and consider themselves superior — they're very patronizing about the rest of the population." This WASP worries about losing his sting. "What happens as you get older is that you're less tempted by new ideas, you've seen it all before. You're right, of course."

PEOPLE

Religious Body in Egypt Bans Mahfouz's Book

Al-Azhar, the highest religious body in Modern Egypt, has banned a newspaper's serialization of a novel by Naguib Mahfouz, seven weeks after the Egyptian won the Nobel prize for literature. Sheikh Farouk el-Ghazy, an al-Azhar official, said "Children of our Alley," banned 20 years ago, was still considered "destructive of values and was defamatory to Islamic prophets." Mahfouz said the book was not blasphemous, but agreed to the ban.

The Montreal Gazette has reported that the former Philippines president, Ferdinand Marcos, and his wife, Imelda, have paid more than \$1.7 million for a penthouse condominium in Rome.

The American soprano Jessye Norman has been invited to sing "La Marseillaise" for Bastille Day celebrations marking the bicentennial of the French Revolution. Norman is to meet Thursday with Culture Minister Jack Lang to discuss the performance.

Animal rights activists are incensed with Prince Philip, president of the World Wide Fund for Nature, for calling the rescue of two whales off Alaska a "circus act" irrelevant to conserving the species. During the Association of American Correspondents luncheon in London, the husband of Queen Elizabeth II also created a stir with a chance remark comparing wives with prostitutes.

The West German-based BMG Classics record company has pulled off a musical coup by signing five Russian musicians, including the conductor Yuri Temirkanov, the violinist Vladimir Spivakov and the 17-year-old pianist Evgeny Kissin, to five-year deals. The others are the violist Yuri Baskakov and the cellist Natalia Gutman, along with the Moscow Virtuosi and the Leningrad Philharmonic.

The Korean-born Myung-whun Chung, 35, has won the Italian music critics association award as best conductor of the year. Chung, who studied at New York's Juilliard School of Music, conducts the Florence city orchestra.

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